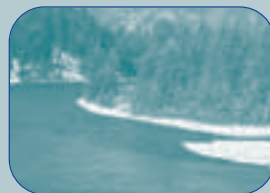
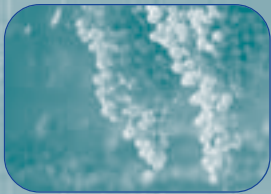




CALIFORNIA REGIONAL ECONOMIES PROJECT

San Joaquin Valley Economic Base Report



San Joaquin Valley Economic Base Report

**A Product of the
California Regional Economies Project
2004**

*Prepared by
J. K. Inc*

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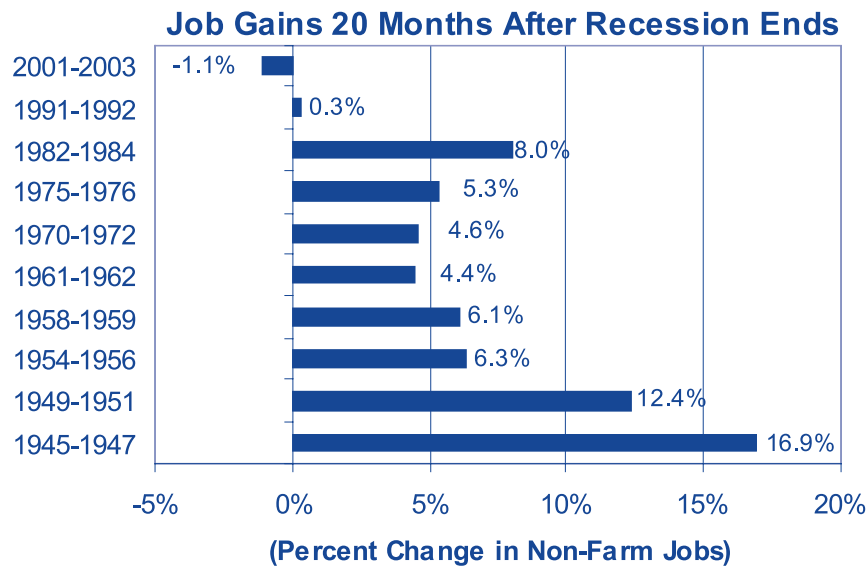
San Joaquin Valley (SJV)

Economic Base

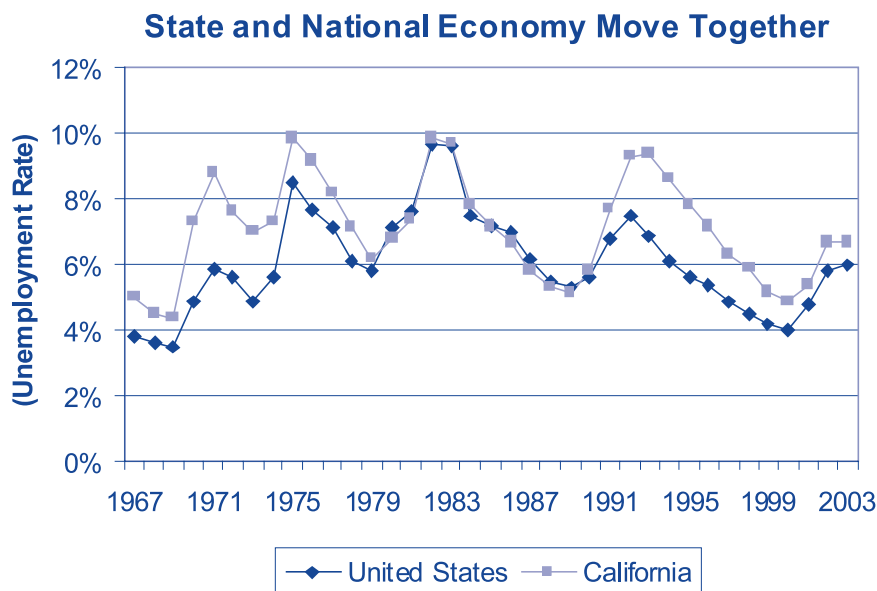
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The State and National Economic Context

The nation is beginning to recover from the weakest job recovery since the Great Depression. In every recession since World War II, job levels were higher 20 months after the recession ended, **except in the recent period**. The average jobs gain 20 months after the last seven previous recessions is 5%. A 5% increase in national jobs in the 2001-2003 period would be equal to more than a 6.5 million gain. Instead, the nation has **lost an additional 1.5 million jobs since the end of the recession**.

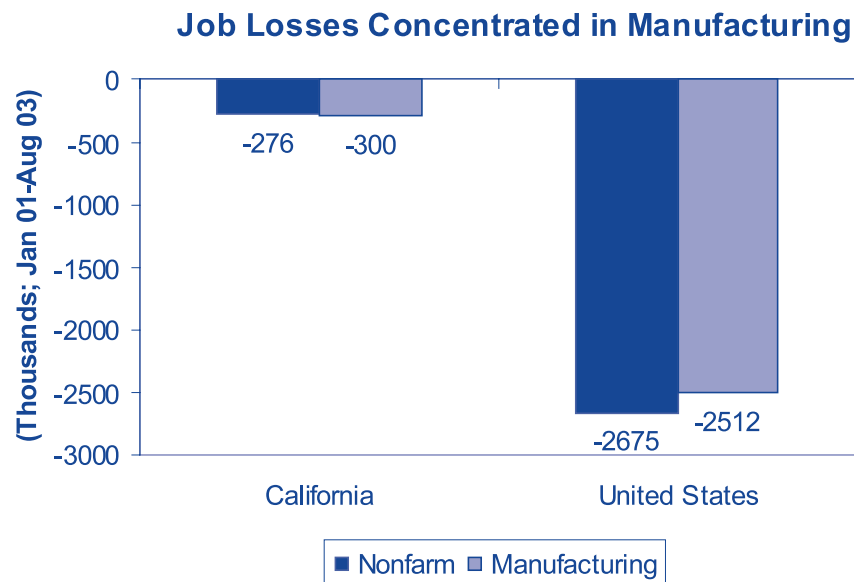


A strong national job recovery is essential for renewed job growth in California. While California can produce strong job and income growth when the national economy is growing, there are no cases when California prospered while the national economy was weak. In fact, as measured by unemployment or job and income growth, the state and nation have a long history of moving up and down together.

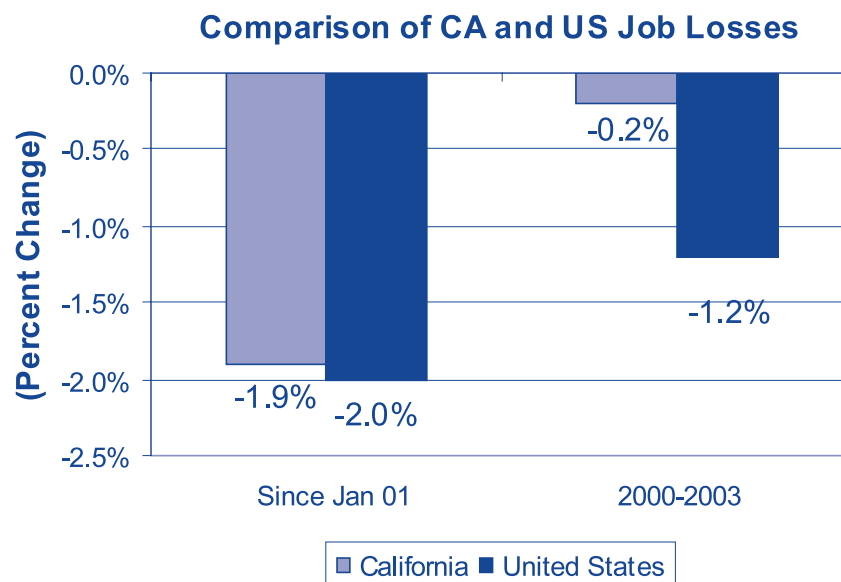


The only two times that the state and nation differed in economic cycles was in the early 70s and early 90s when California trailed the nation as the result of sharp cutbacks in defense spending.

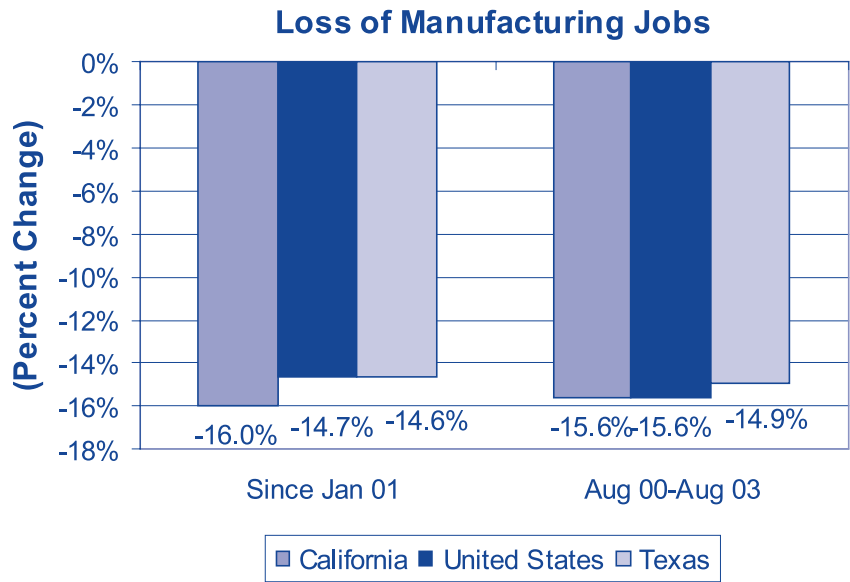
Since January 2001 when the recession began, California lost 276,000 nonfarm wage and salary jobs. During the same period, the state lost 300,000 manufacturing jobs. So, the state's entire recent job losses are accounted for by declines in manufacturing. The same picture emerges at the national level. Since January 2001, the nation lost 2.7 million jobs, of which 2.5 million were in manufacturing.



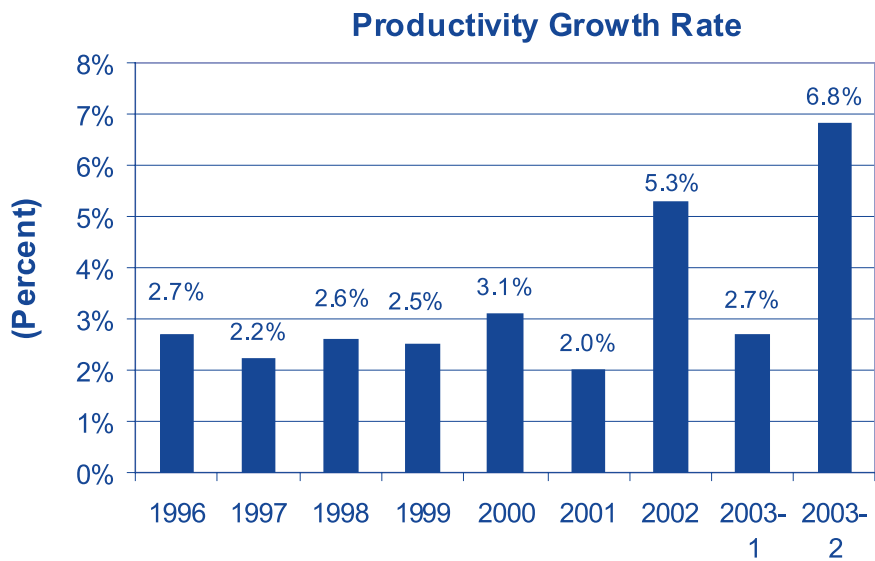
California has the same rate of job loss as the nation or has done a little bit better, depending on what time period is used to measure changes in job levels. Between January 2001 and August 2001, California lost 1.9% of the state's nonfarm jobs, while the nation lost 2.0%. When comparing average job levels in 2000 and 2003, state job levels are down 0.2% (26,600 jobs) while the nation's losses were 1.2%.



Manufacturing job losses were similar among California, Texas and the United States. Manufacturing job losses were approximately 15% since 2000 and did not vary much depending on what time period is used.



Productivity growth is one explanation of the “jobless” recovery. High productivity growth allows firms to produce more without needing additional workers and, in some cases, to produce more **with fewer workers**. Productivity growth has reached unusually high levels in 2002 and 2003. In 2002, productivity growth averaged 5.3% over 2001 levels. Roughly speaking, this level of productivity growth requires real GDP to grow at higher than 6.5% to reduce unemployment rates.



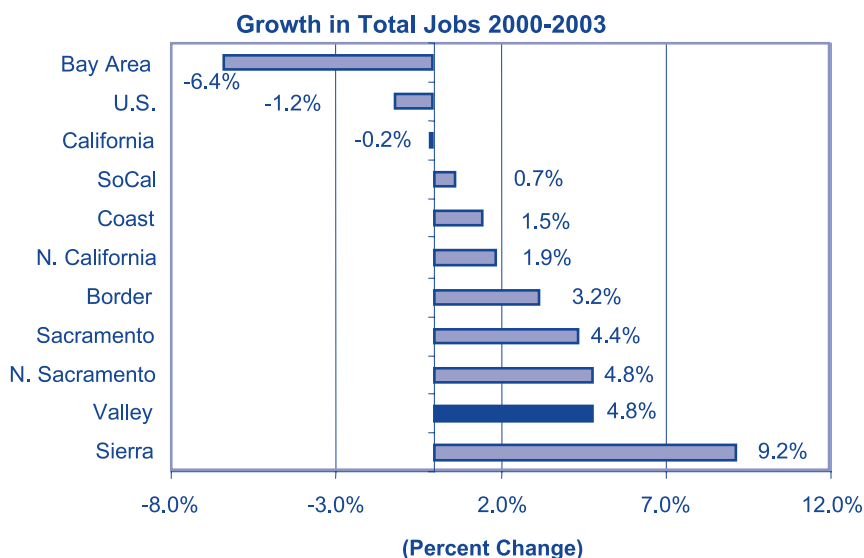
In the first two quarters of 2003, productivity growth is again averaging more than 5%. The estimated GDP gains of 4-5% for the rest of the year will not be enough to secure job growth. This is why, despite a turnaround in GDP growth, that it is almost mathematically certain that the nation will end the year with fewer jobs than in January 2003. And the labor force normally increases by 2 million per year.

Productivity growth is essential for long-term prosperity. Productivity growth allows profits and wages to increase and living standards to rise.

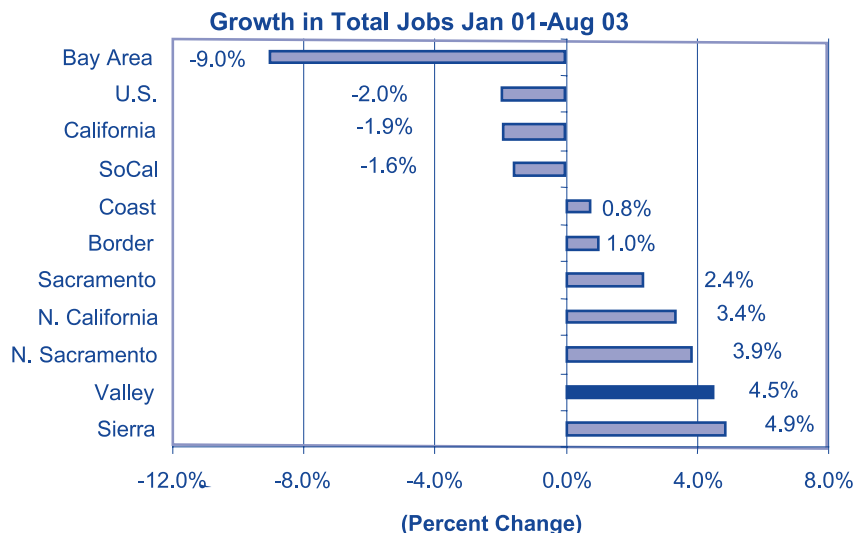
But, in the short-term, this exceptional productivity growth makes the job of getting back to full employment much more difficult. And this productivity growth explains “where” most of the lost manufacturing jobs went - not to another state, not even abroad (although some did), but simply lost because firms needed fewer workers to meet rising sales levels.

Job Growth Centered in Rural Economic Regions

The Bay Area is the only economic region that lost jobs between 2000 and 2003. The Bay Area lost 253,300 jobs comparing the annual average job levels in 2000 and 2003. The state lost 26,600 jobs. The other eight economic regions **added 226,700 jobs**. Job gains of more than 4% were recorded in the Central Sierra, Greater Sacramento, Northern Sacramento Valley and San Joaquin Valley economic regions. Southern California posted a small (0.7%) job increase. The SJV Economic region experienced a 4.8% job increase during the 2000-2003 period tied with the NSV for the second best net new job growth record in the State.

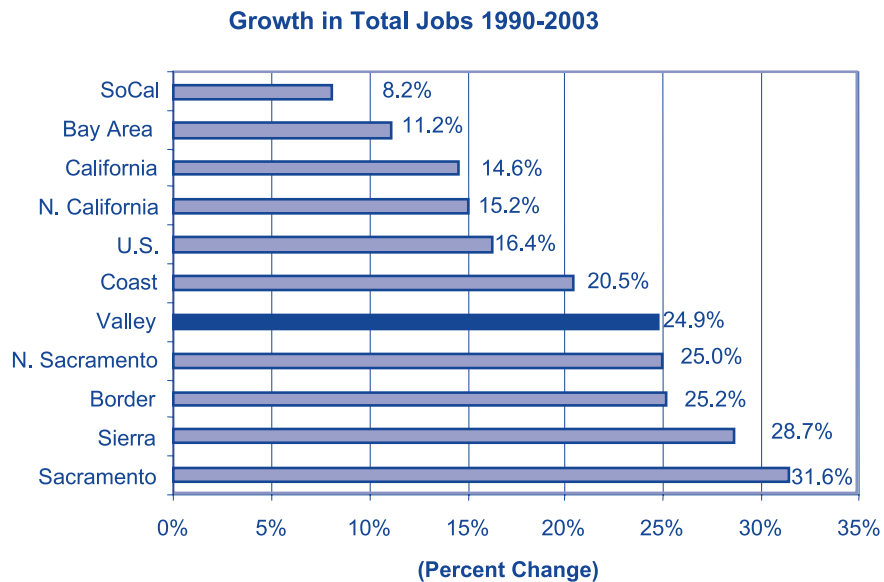


The overall pattern of economic regional employment growth does not change much even if one looks at the period starting at the beginning of the recession in January 2001. From January 2001 through August 2003, the Bay Area lost 9.0% of the economic region's job base. Southern California had a job decline of 1.6%, less than the nation's 2.0% job loss, and **all other economic regions of the state showed job gains**, led by Sacramento and four of the State's five rural economic regions. The SJV was the second highest with a job gain of 4.5% compared to 4.9% for the Central Sierra.

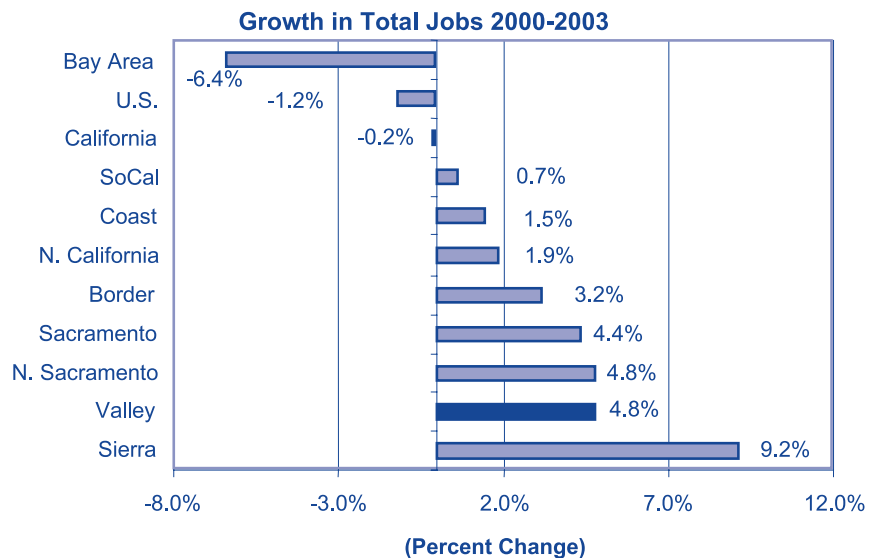


Comparison of Economic Regions

The Bay Area and Southern California had the lowest job growth rate since 1990 among the state's nine economic regions. Jobs in the Bay Area increased by 11.2% compared to the nation's 16.4% gain. Only Southern California with an 8.2% increase trailed the Bay Area. The Greater Sacramento economic region had the largest gain at 31.6%. The SJV economic region posted a respectable 24.9 % increase in jobs over the 1990-2003 period, which was greater than the U.S., California and the two largest economic regions in the State, the Bay Area and Southern California.

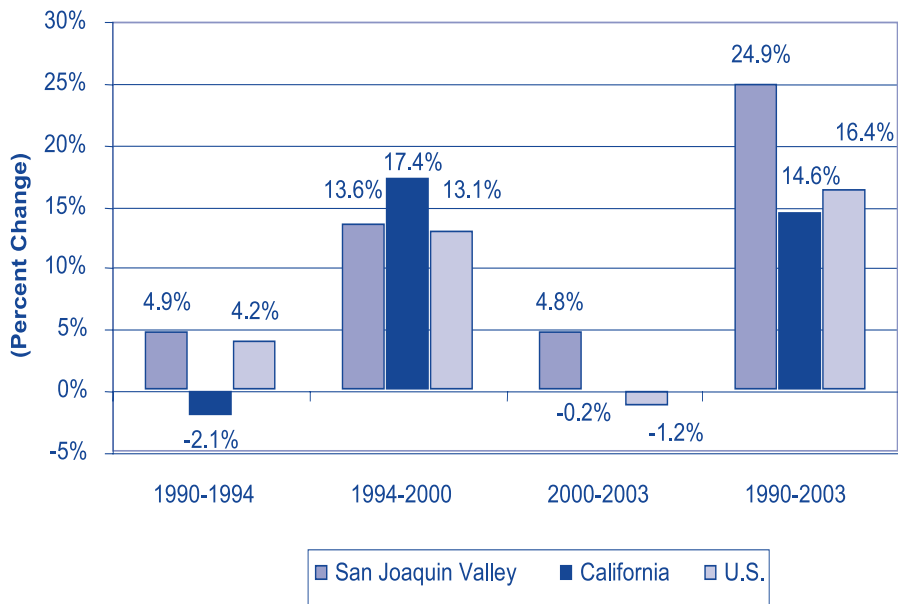


Trends in total job growth between 1990 and 2003 were also reflected in the most recent data from 2000 to 2003. The Bay Area continued its decline by losing 6.4% of its job base, more than either the U.S. or California, despite the fact that all other economic regions in the State experienced continued job growth. At a growth rate of 4.8% the SJV was second only to the Central Sierra economic region which experienced a job increase of 9.2%, due primarily to its small job base.



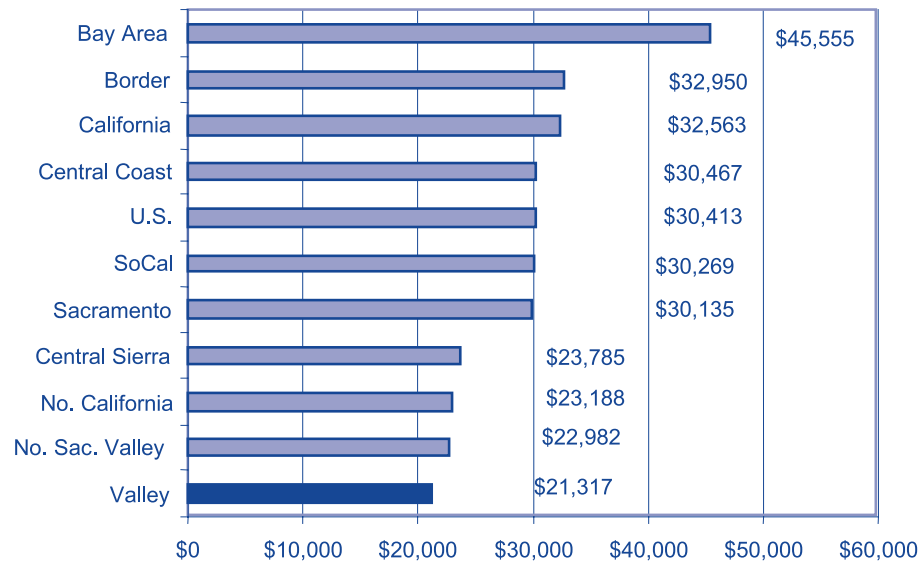
Growth in total jobs for the 1990-2003 period can be viewed for each of three segments in the period. This view illustrates the cyclical nature of employment growth during this relatively brief period.

Growth in Total Jobs

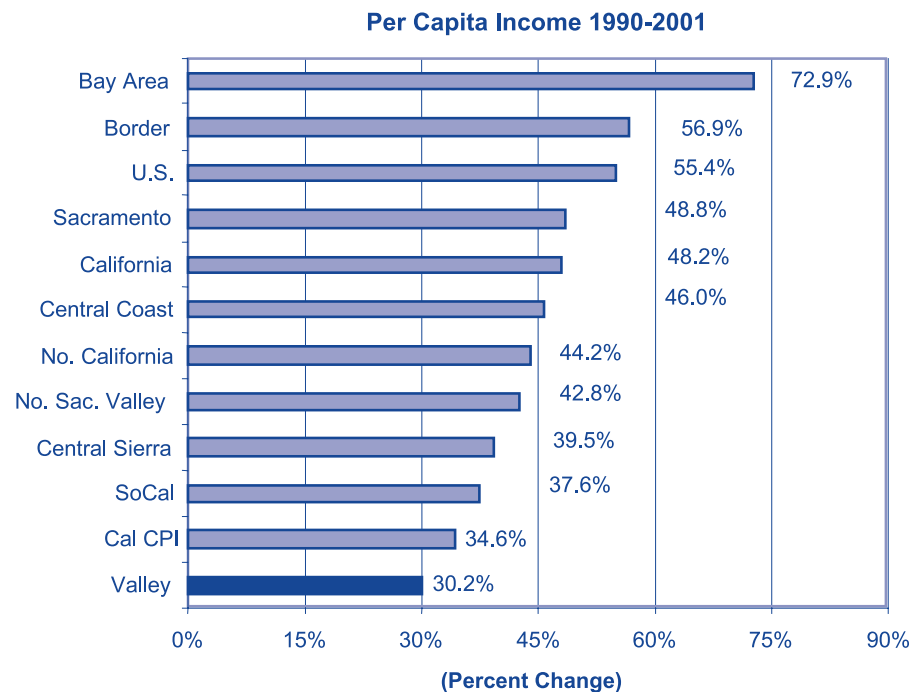


Per capita income for all economic regions in the State demonstrates clearly the three-tier character of income distribution. The Bay Area stands alone in per capita income at \$45.5 thousand. California, the U.S. and four economic regions follow with per capita income levels between \$32.9 and \$30.1 thousand. The SJV economic region along with three other rural economic regions hold down the lowest tier with per capita incomes between \$23.7 and \$21.3 thousand with the SJV being the lowest of all.

Per Capita Income in 2001



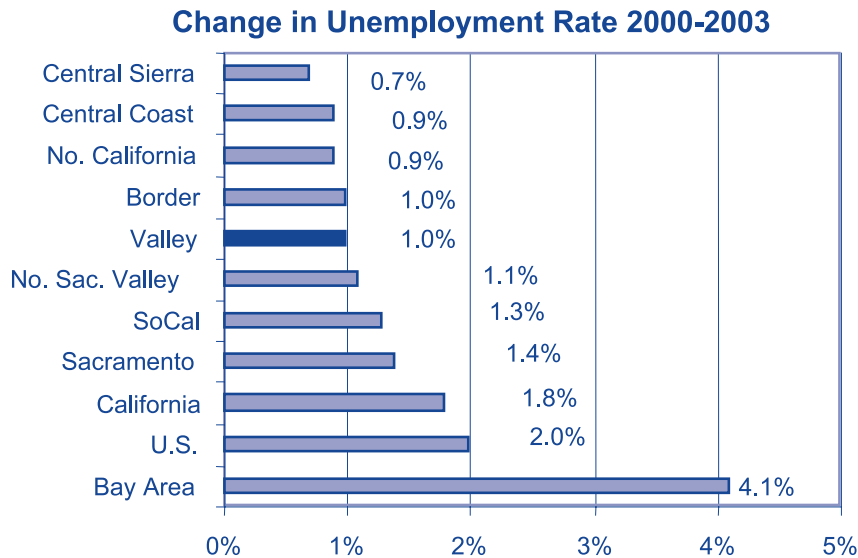
Per capita income growth between 1990 and 2001 further reveals that the three tier characteristics of per capita income in the State changed little during the past decade. The Bay Area led the way with a 72.9% increase in per capita income. The second tier remained the same with the exception of Southern California, which dropped to the bottom of the third tier economic regions in per capita income growth, below the SJV economic region and other rural economic regions. However, only the SJV economic region failed to keep pace with the California CPI.



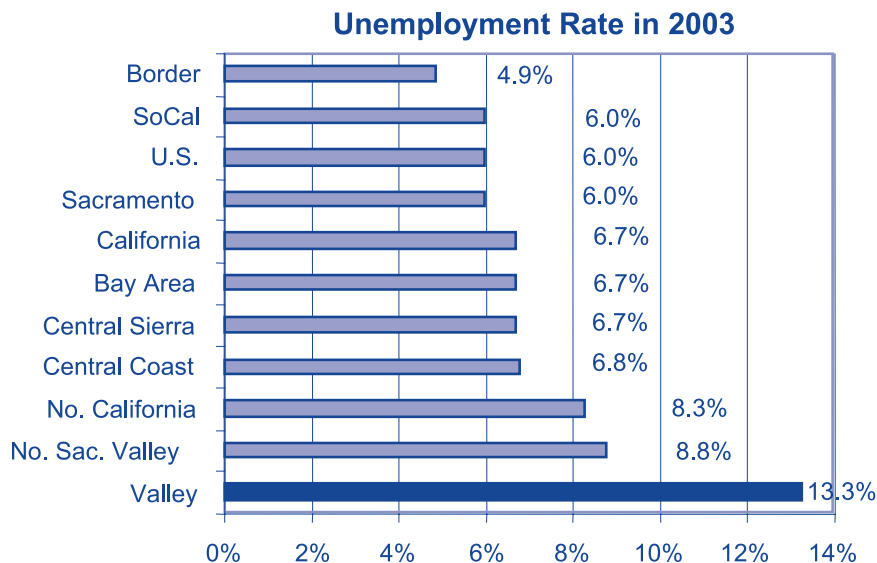
Per capita income is affected by high unemployment rates, which tend to hold wage levels down or decrease them. The SJV economic region had the highest unemployment rate in the State in 2003, 13.3%. This is higher than California, the U.S. and all other economic regions in the State. Moreover, the unemployment rate was 40% higher than the NSV or NC.

In contrast to the job and income growth previously presented, there is a great deal of similarity among the economic regions in terms of their unemployment rates. The Bay Area and Southern California share an approximate unemployment rate of between 6.0% and 6.8% with Sacramento, the Central Sierra and the Central Coast. The Southern Border economic region is clearly better off than other economic regions with an unemployment rate of 4.9%.

The Bay Area had the largest increase in unemployment rates among California economic regions since 2000. Bay Area unemployment rates increased by 4.1%, from 2.6% in 2000 to 6.7% in 2003. **Every other economic region of the state, including Southern California, had a smaller increase in unemployment rates than California or the nation.** The Bay Area went from having the lowest regional unemployment rate in California to being near the state average. The SJV economic region's unemployment rate increased by a modest 1.0%, which was less than the increase in unemployment for California and the U.S and far less than that for the Bay Area.

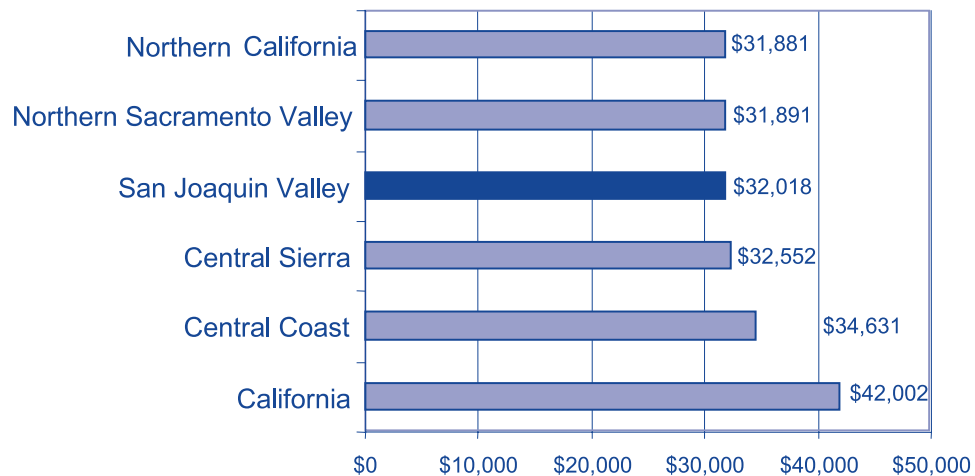


Data for 2003 on unemployment rates show significant improvement for all of the rural economic regions in the State with the exception of Northern California (NC), NSV and SJV. The SJV economic region had an unemployment rate of 13.3%, over double the average for most of the State, the U.S. and most of the rural economic regions in the State.



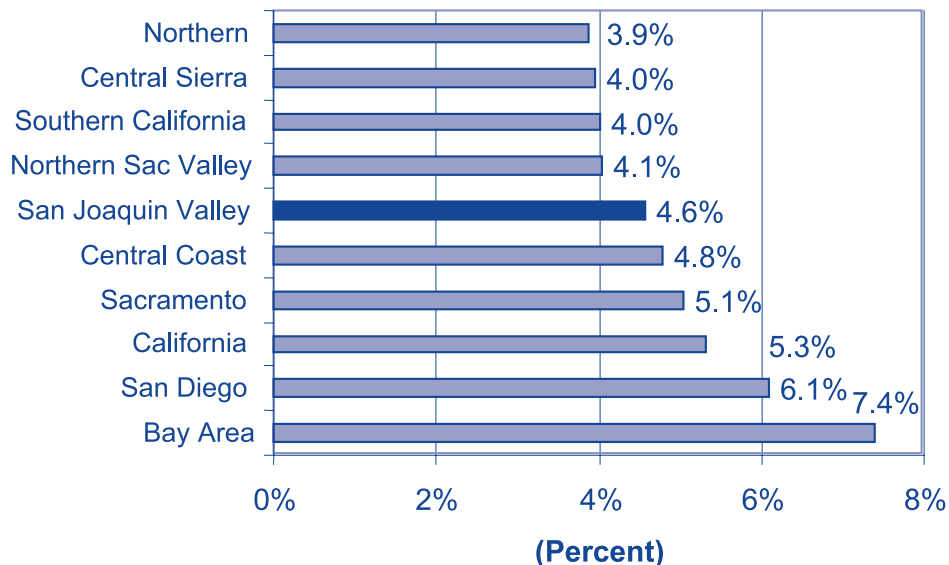
Average wages for the rural economic regions of California in 2002 show the disparity between these economic regions and the average wage for California. This disparity is the major reason for the lower per capita income, which is persistent in rural California. The SJV economic region's average wage in 2002 was just over \$32,000, better than NC and NSV but less than the Central Sierra and the Central Coast among the State's five rural economic regions.

Average Wage in 2002



Data on average annual wage growth in the rural economic regions of the State also shows little change in the three-tier income system that is reflected in the per-capita income data for the 1990-2002 period. The SJV economic region, for example, had an increase in average wages of 4.6% over the four-year period for which data was available. This increase shows that no gain was made in bringing wages in the SJV economic region up to that of the economic regions of the State that already have higher wage rates other than a modest gain over Southern California.

Annual Average Wage Growth 1997-2001



High unemployment rates and low wages are the primary problem facing the State's rural economic regions and are particularly pertinent to the level of performance of the SJV economic region. Low wages result in less purchasing power in the area to support local serving businesses and high unemployment rates keep wages down. The solution to this situation lies in the expansion of sectors and firms that can pay above the minimum wage in their industry and still remain competitive through increasing productivity.

Major Industry Sectors in the SJV Economic Region

The major industry categories for reporting job data have changed with the introduction of the North American Industry Classification System (NAICS). Some of the major industry categories like Construction, Manufacturing, Financial Activities, Wholesale Trade, Farm and Government, have either identical or similar names to the previous SIC-based categories and cover approximately the same set of industries and workers. The NAICS Retail Trade category is the same as before, but without eating and drinking establishments, which have been moved to the new Leisure and Hospitality industry.

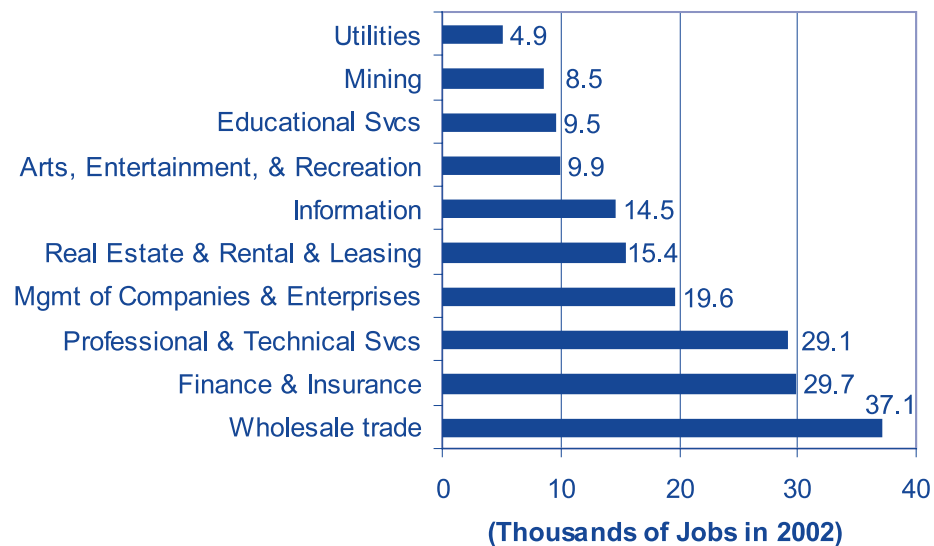
Some major industry categories are new including Professional and Business Services, Information, Educational and Health Services, Transportation, Warehousing and Utilities and Leisure and Hospitality. Within the NAICS major industry categories are many new industry categories like telecommunications, ISPs, software publishing, childcare, and couriers.

The SJV Economic region had 1,227,200 jobs in 2002 an increase of 227,300 from 1990. Government, federal, state and local, the largest employer in the economic region, totaled 254,600 jobs. Agriculture, Forestry and Fishing ranked second with 177,000 jobs. Retail Trade came in third with 131,000 jobs and Manufacturing was fourth with 109,900 jobs. Health Care and Social Assistance ranked fifth with 107,300 jobs and Accommodations & Food Services followed with 78,900 jobs. Construction and Administrative & Waste Services contributed another 114,400 to the total and Transportation & Warehousing and Other Services provided 75,600.



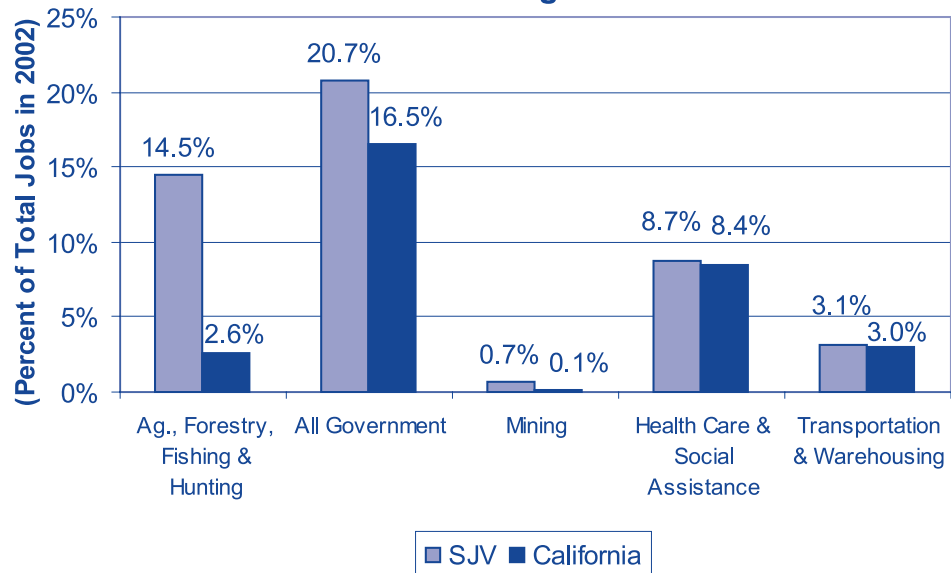
In addition to these sectors a number of other industries, many of which are new in the NAICS system, joined those already mentioned as a significant component of the SJV economic region. For example, Wholesale Trade added 37,100 jobs while Finance & Insurance, Professional & Technical Services added another 58,800 jobs to the total. Seven other industries combined to contribute another 82,300 additional jobs.

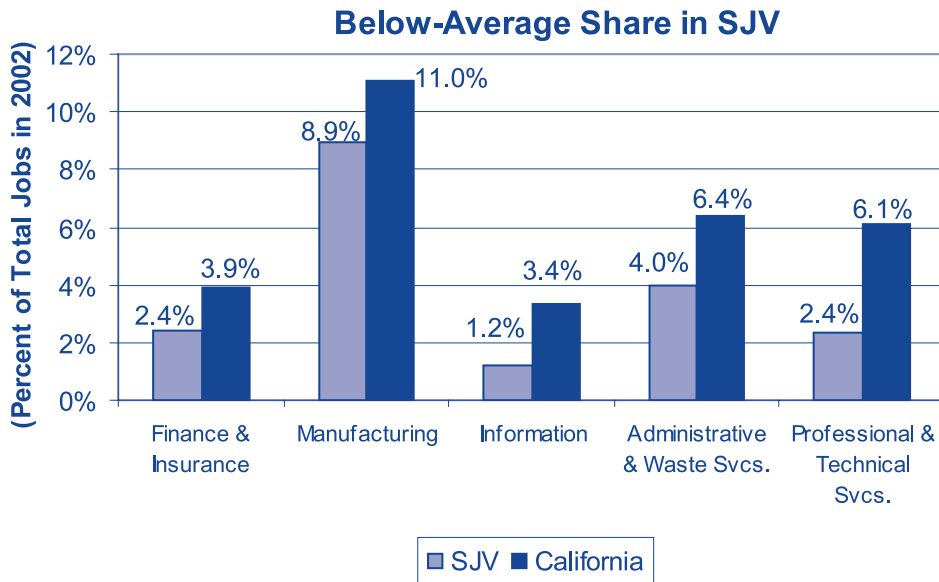
Other Major Industry Sectors



A measure of the importance of each of these industries to the SJV Region economic base is the share of total State employment in their respective industries statewide. The following graphics identify the leading industries in the SJV with respect to this measure. Five industries were found to have an above average share of the total jobs in their industry while five other industries were found to have a below average share.

Above-Average Share in SJV



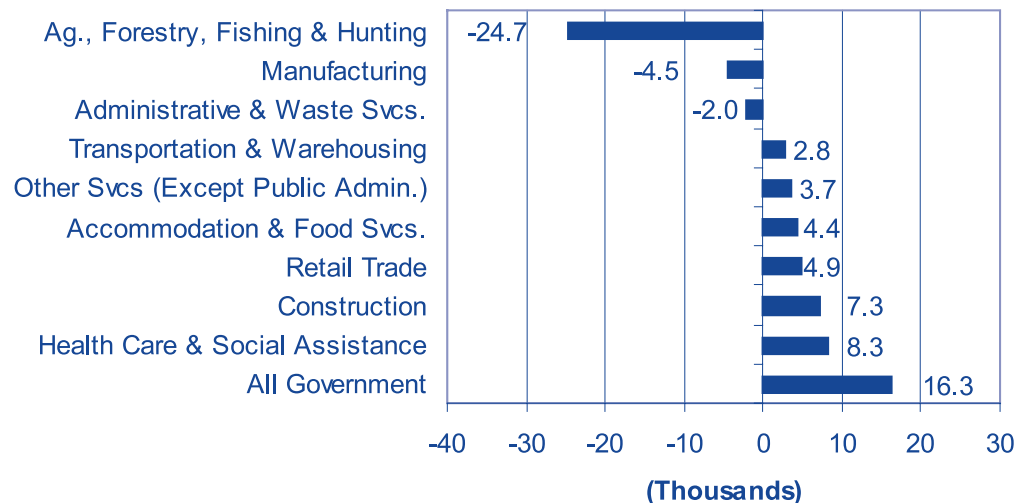


The most important criteria concerning the importance of regional industries to the SJV regional economic base, however, is the job growth that each provided. During the twelve-year period 1990-2002 the SJV Regional economic base grew by 227,320 net new jobs, All Government led the SJV economic region in job growth by adding 56,700 jobs to the economic regions job base. Health Care & Social Assistance was second adding 34,900 jobs followed by Retail Trade which added 22,400 and Accommodations & Food Services which added 21,600 jobs. Administrative & Waste Services contributed 20,900 jobs and Transportation & Warehousing added 15,000 jobs. Construction contributed another 13,300 jobs. Two of the SJV traditional industries Manufacturing and Agriculture, Forestry, Fishing & Hunting added only 11,300 and 700 to the total respectively and Other Services added 9,100.



Overall job growth trends for industries in the SJV economic region were confirmed during the most recent time frame 2000-2002 with job growth accelerating or maintaining its trend for All Government, Health Care & Social Assistance, Retail Trade and Accommodations & Food Services. Administrative & Waste Services. But, Manufacturing and Agriculture, Forestry, Fishing & Hunting, however, suffered significant job losses and Administrative & Waste Services, which had been growing steadily, declined by 2,000 jobs. Only Construction saw a major change by increasing its growth rate to 7,260 over the two-year period compared to 13,300 for the 12-year period.

Job Growth in Leading Major Industries 2000-2002



Individual industries in the SJV regional economic base have different dynamics depending on factors that go beyond the macroeconomic or cyclical factors. Government and Health Care and Social Assistance have been moving upward in employment in a uniform trend during the 1990-2002 period. Likewise the Retail Sector and the Food and Accommodations Sectors have followed a common path during this period. However the Administrative and Waste Services Sector, a newer and smaller segment of the SJV regional economy has been irregular in its job growth trajectory.

In contrast, to these sectors, two traditional components of the SJV economic base (Manufacturing and Agriculture, Forestry, Fishing & Hunting) have been irregular in their job growth, as has the Construction sector which is closely tied to national interest rate policies which affect local demand.

SJV Economic Base

The term economic base is usually limited to those industries that export their products and services outside the jurisdiction that comprises the study area leaving out those industries that primarily or exclusively serve the local population base. This convention, however, is becoming more difficult to maintain since many industries now serve both the local population and the export market extensively.

Therefore, this analysis of the SJV as well as the analysis for the other four rural economic regions in the state (Central Sierra, Central Coast, N. California and the Northern Sacramento Valley) include both local serving and export industries in our definition of the economic base. The criteria for selecting the components of the economic base are the top job providers in 2002 and top job generators from 1990 to 2002.

Based on these criteria, the ten industries included in the SJV economic base for this analysis are the following*

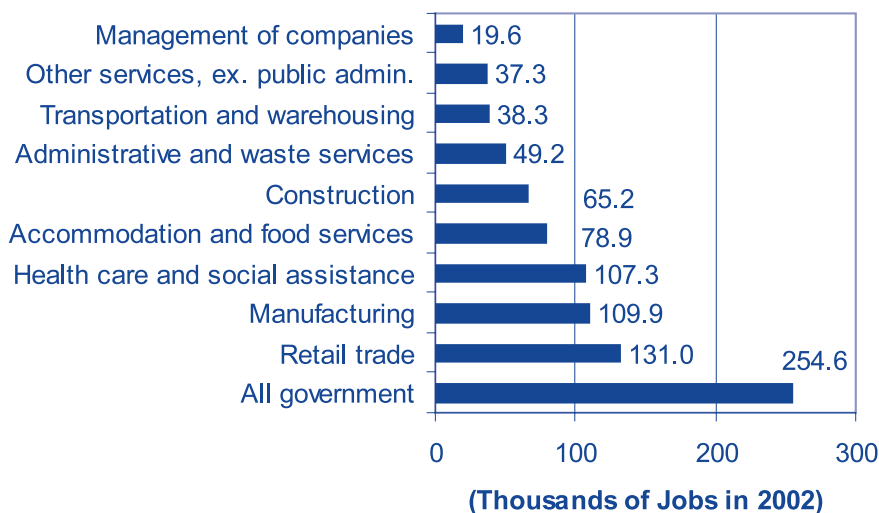
- All Government
- Health Care & Social Assistance
- Manufacturing
- Retail Trade
- Accommodations & Food Service
- Construction
- Administrative & Waste Services
- Other Services (Except Public Administration)
- Transportation & Warehousing
- Management of Companies & Enterprises

Therefore, in this analysis the SJV economic base is composed of the ten industries that provide the greatest number of jobs in and/or those industries that have shown the largest increase in jobs over the 1990-2002 period. The overall performance of these ten industries can also be measured by their ratio of job growth to that of the industry throughout the State during this period.

All Government, exclusive of education, has been the major provider of new jobs during the 1990-2002 period and was the largest employer in the SJV economic region in 2002. In that year All Government provided over 254,600 jobs in the Economic region compared to just over 131,000 for Retail Trade and approximately 110,000 for Manufacturing. Health Care and Social Assistance ranked fourth with 107,300 job and Accommodations and Food Services came in fifth with 78,900 jobs. Construction had 65,200 jobs in 2002. Other significant employers were Administrative & Waste Services (49,200), Transportation and Warehousing (38,300), Other Services (37,300) and Management of Companies (19,600).

* See Appendix A for a list of sub-sectors in these NAICS categories

San Joaquin Valley Economic Base



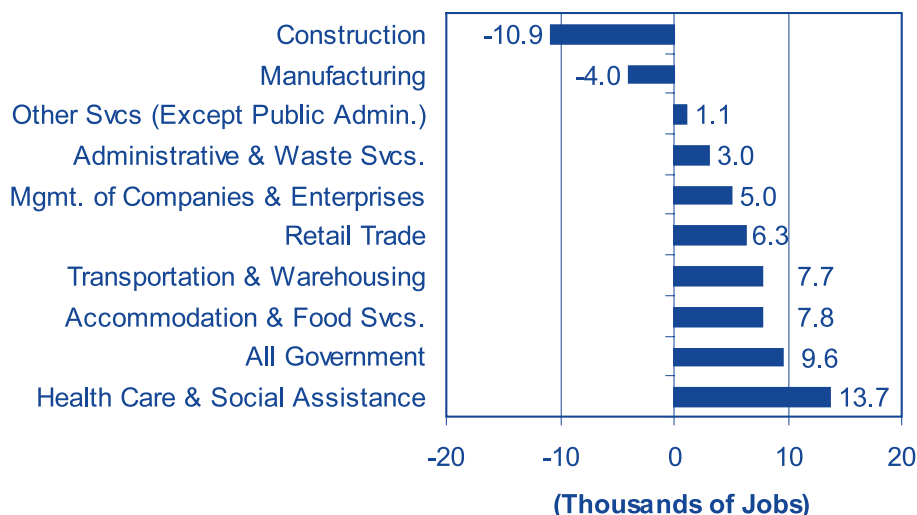
During the 1990-2002 period, All Government added 56,700 jobs to the SJV Regional economic base. All Government was followed by Health Care and Social Assistance, which added 34,900 jobs. Retail Trade, Accommodations & Food Services and Administrative and Waste Services followed with job increases of 22,400, 21,600 and 20,900 respectively. Transportation & Warehousing, Construction and Management of Companies and Enterprises added 38,500 while Other Services and Manufacturing contributed an additional 9,800.

Change in SJV Economic Base 1990-2002



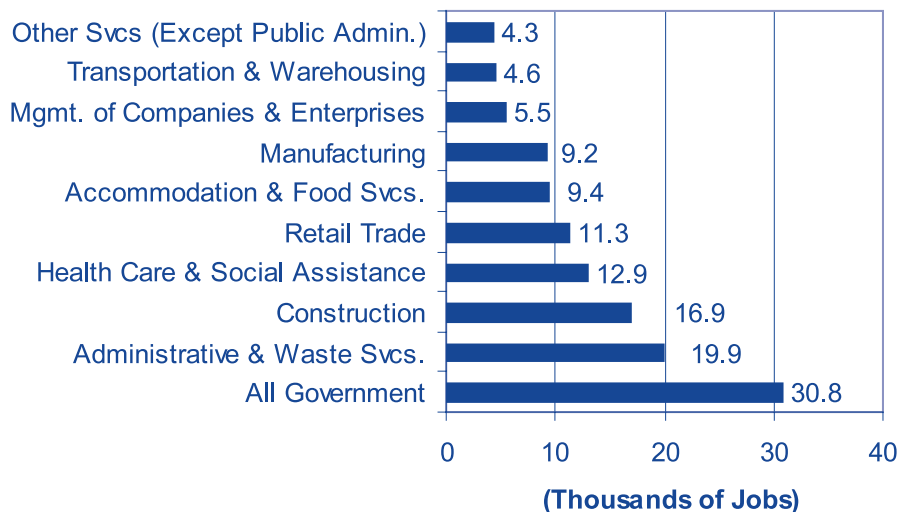
Changes in the economic base at the industry sector level do not conform to any predictable trend over a period of several years. The following graphics show the job increases attributable to these industries during three separate time periods between 1990-2002. While there is significant variation in the job generation provided by each industry, the same industries, with the exception of Construction, provided for most of the gains overall.

Change in SJV Economic Base 1990-1994



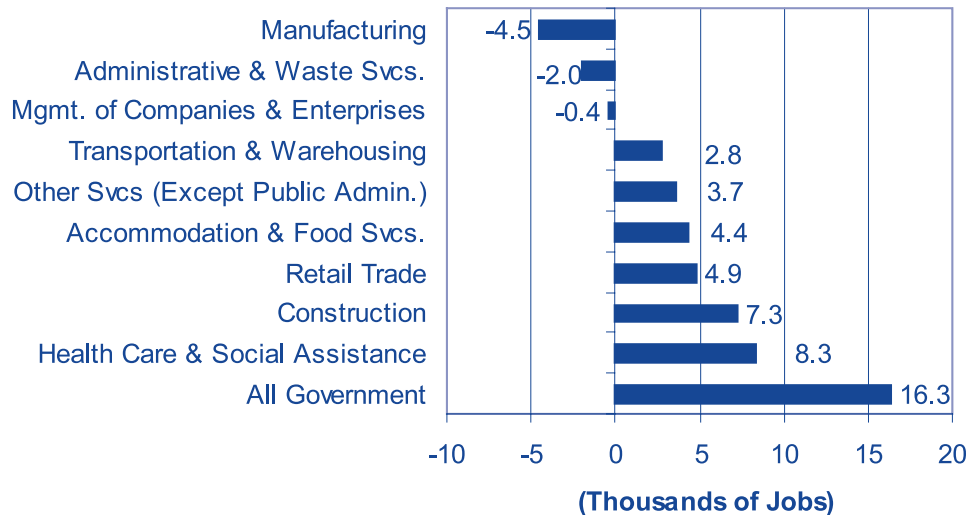
During the early 90's Health Care and Social Assistance was driving job growth increasing by 13,710 during 1990-1994. All Government was second adding 9,600 jobs followed by Accommodations & Food Services (7,800), Transportation & Warehousing (7,700) and Retail Trade (6,300). Construction and Manufacturing lost 10,900 and 4,000 jobs respectively during this four-year period. Other Services and Administrative & Waste Services showed modest gains.

Change in SJV Economic Base 1994-2000



During the 1994-2000 period, All Government led the way adding 30,800 jobs followed by Administrative & Waste Services (19,900) and Construction (16,900). Health Care & Social Assistance and Retail Trade provided 12,900 and 11,300 jobs respectively. Accommodations & Food Services, Transportation & Warehousing and Other Services contributed another 18,300 jobs to the total. Manufacturing added 9,200 jobs and Management of Companies and Enterprises added 5,500 jobs.

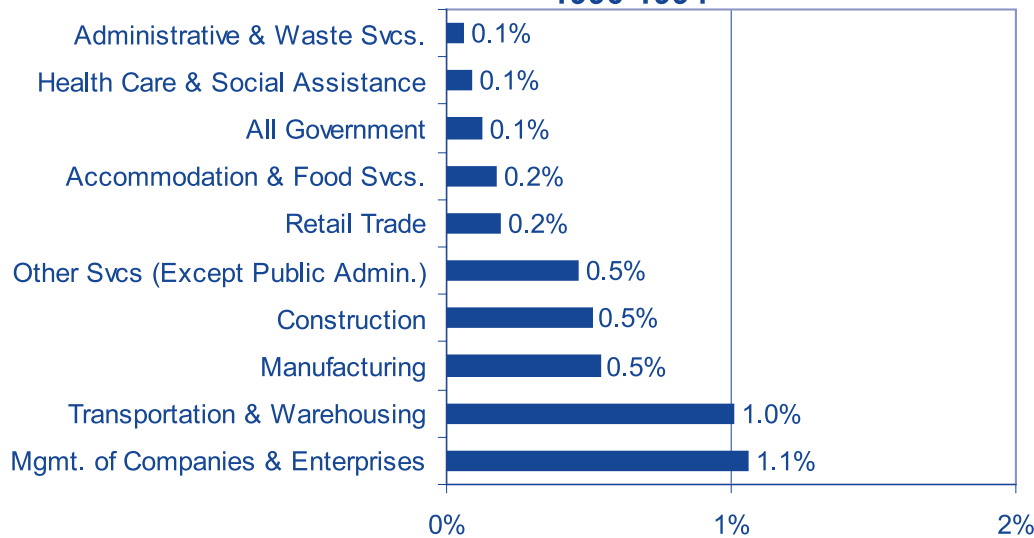
Change in SJV Economic Base 2000-2002



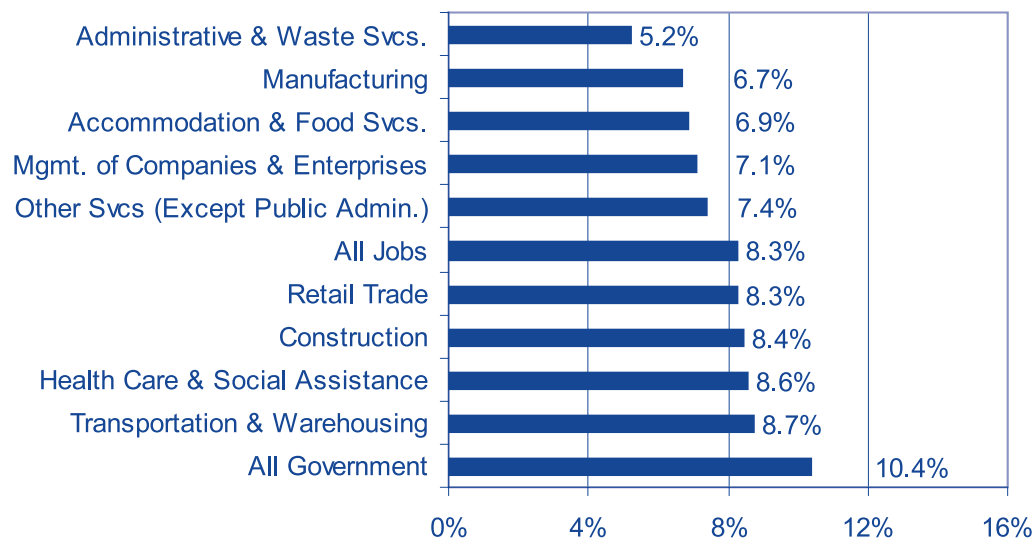
During the last segment of the 1990-2002 period (2000-2002) All Government continued to lead the way providing 16,300 additional jobs followed by Health Care & Social Assistance (8,300) and Construction (7,300). Retail Trade, Accommodations & Food Services, Other Services and Transportation & Warehousing combined for 15,700 jobs while Manufacturing, Management of Companies & Enterprises and Administrative & Waste Services lost 6,900 jobs during this period.

Another way of determining the performance of individual industry sectors in the SJV Regional economic base is to compare their job growth with that for the State. The following graphics show that the leading industries in the SJV are above average in their share of jobs being created in the State in their respective industries.

Change in SJV Jobs as a Share of California 1990-1994



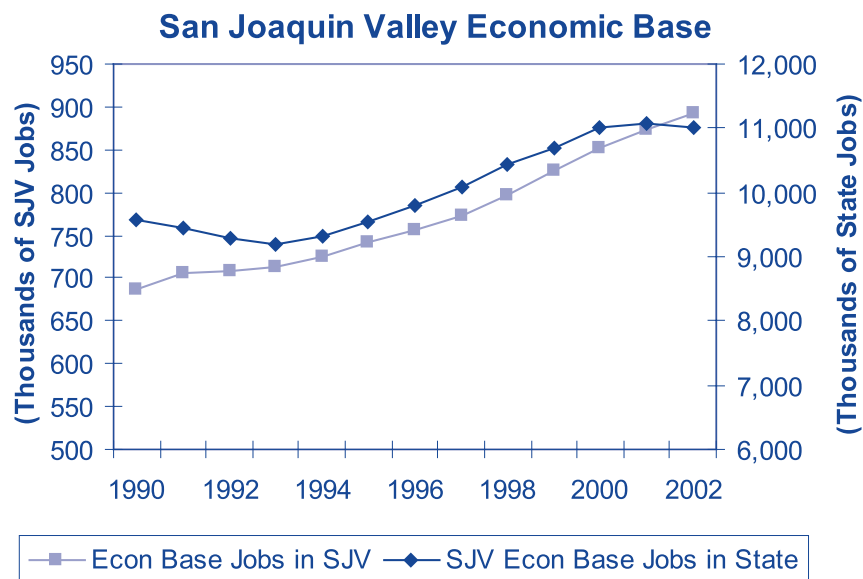
SJV Share of California, 2002



As can be seen from the variations in employment growth by each of the industries included in the SJV economic base during each of the three time periods, reliance on the steady growth of one industrial sector is not prudent. However, all sectors combined managed to bring about steady growth in the SJV economic region despite a lack of uniform performance. Annual monitoring of the economic base is required for the development of appropriate economic policies and programs.

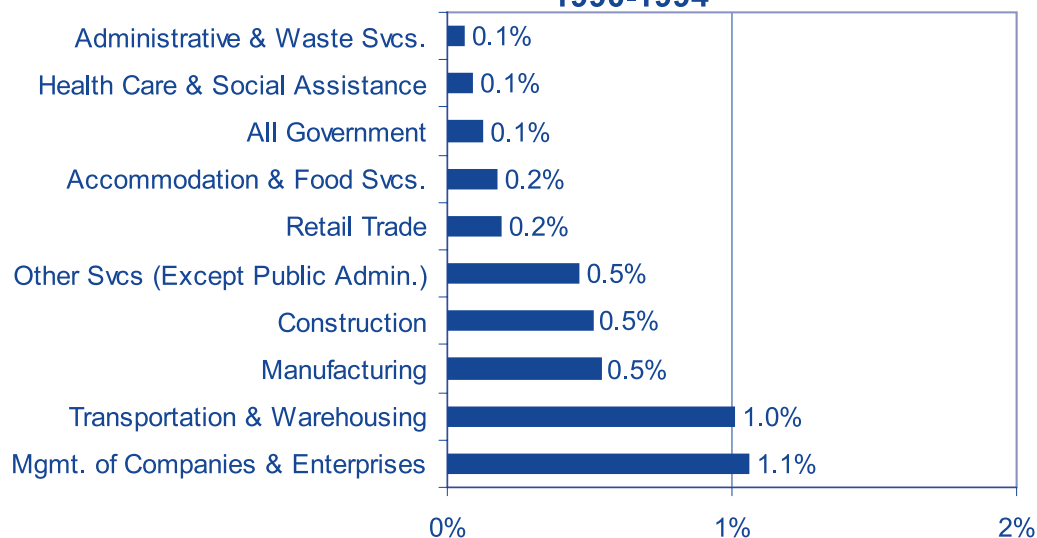
With the exception of All Government, which has a 10.4% share of the jobs in this sector statewide and Administrative & Waste Services which stands at 5.2%, all the sectors included in the economic base in the SJV economic region have similar shares of state jobs. This indicates that they are following statewide trends in their industry. Keeping track of trends that develop in the SJV economic base's share of industry-wide jobs in the State is a good measure of success and/or failure to expand the number of jobs in these sectors.

The chart below, compares base jobs in SJV economic region to jobs in the same industries in CA, rather than their share. Now, it can be seen that, especially after 2000, job growth in SJV base industries is much more than in California, which started to see a decline by 2002. Comparing absolute job growth between the SJV economic region and California shows that the SJV economic region is now exceeding the relative job growth in the State for its economic base industries.



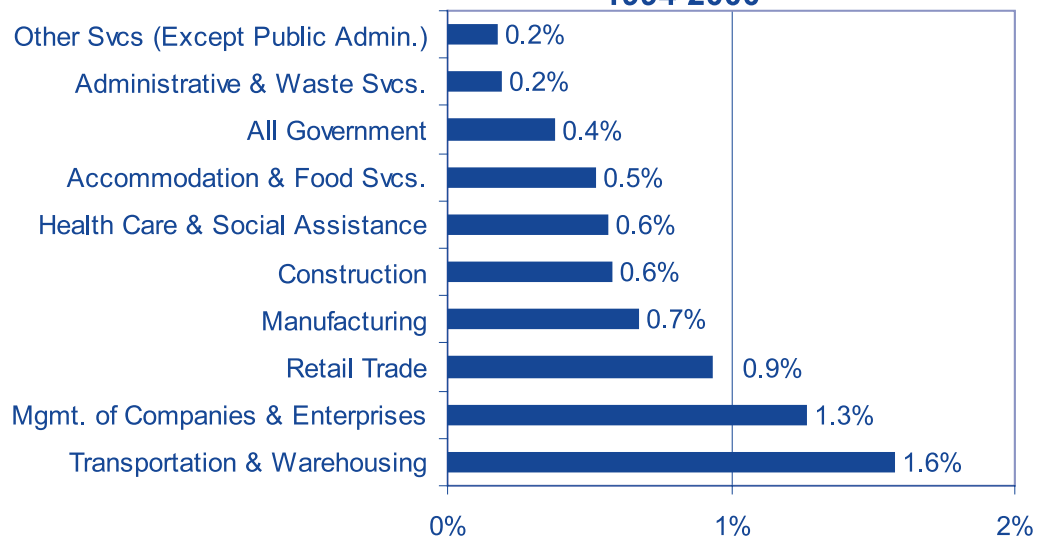
Yet another way of analyzing the performance of the SJV economic base is to examine the increase in jobs added in each industry to the total number of jobs added to those industries in the state and how that relative position has changed over the 1990-2002 period. The following graphics provide that analysis for three separate time frames during that period.

Change in SJV Jobs as a Share of California 1990-1994

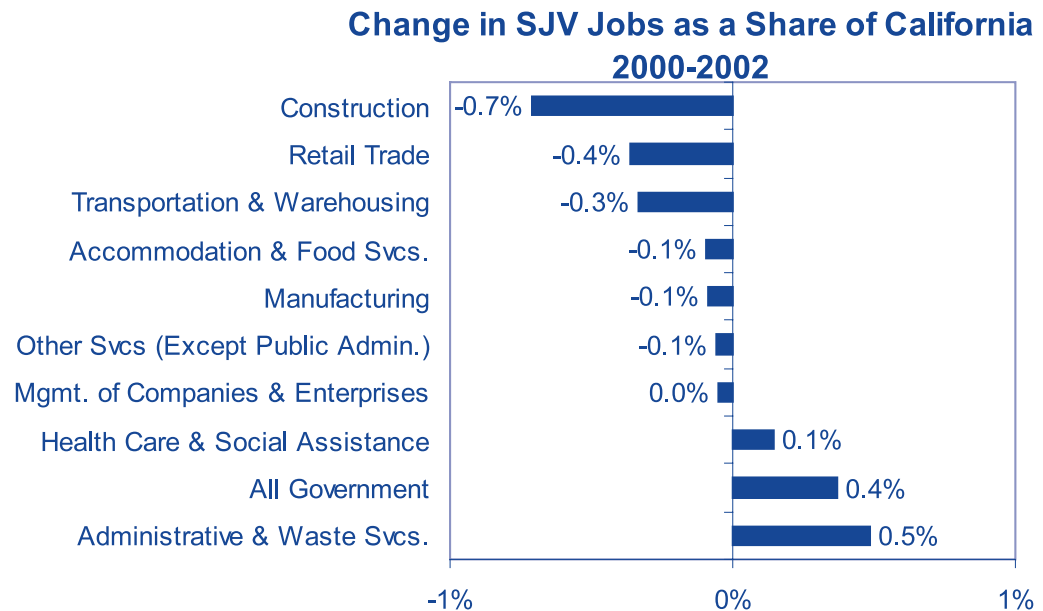


During the first half of the 90's, Management of Companies & Enterprises, a new NAICS category, was the only industry in the SJV economic base with an increase in employment growth greater than that for the State. During the later half of the 90's Management of Companies & Enterprises was joined by Transportation and Warehousing with both industries showing a larger percentage growth in the share of industry employment than that for the State.

Change in SJV Jobs as a Share of California 1994-2000



During the final two years of the 1990-2002 period, however, both of these industries fell below the rate of growth for the State. Conversely Health Care & Social Assistance, All Government and Administrative & Waste Services had a greater increase in the share of job growth in their industries than the State as a whole.



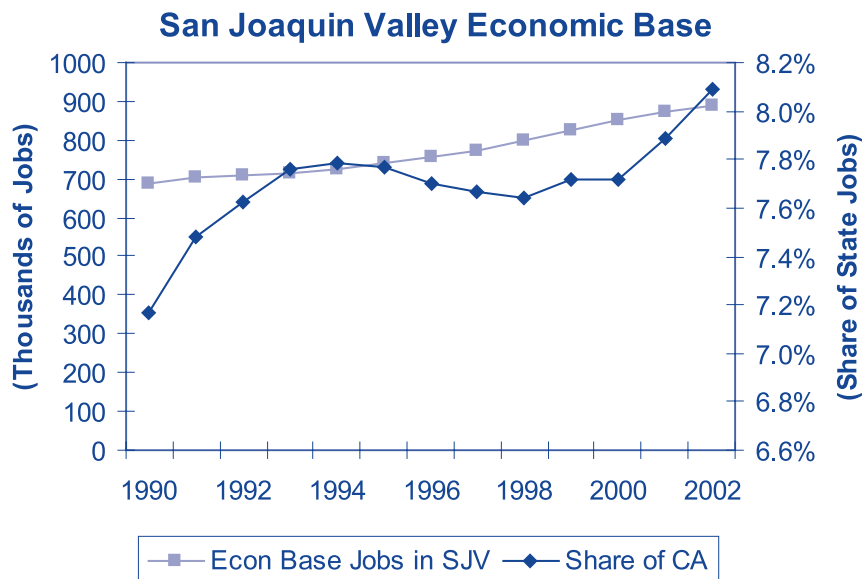
Once again, the dynamics of employment growth in the SJV economic region during these three periods shows how quickly an industry can change its relative position in the industry from a leading provider of job growth to one that is losing jobs relative to the industry as a whole state-wide.

Detailed Descriptions of the SJV Economic Base Industries

Each of the industries that compose the SJV Regional economic base is made up of several industries at the NAICS three and four digit levels. This section provides the detail on these sub-sectors for each of the industries selected for inclusion in the SJV Regional economic base.

As can be seen from the graphic below, the ten industries that make up the SJV Regional economic base constitute a significant share of the jobs in the economic region for those industries as well as an increasing share of the growth of jobs for those industries in the State. Between 1990 and 2002 these ten economic base industries added approximately 150,000 jobs.

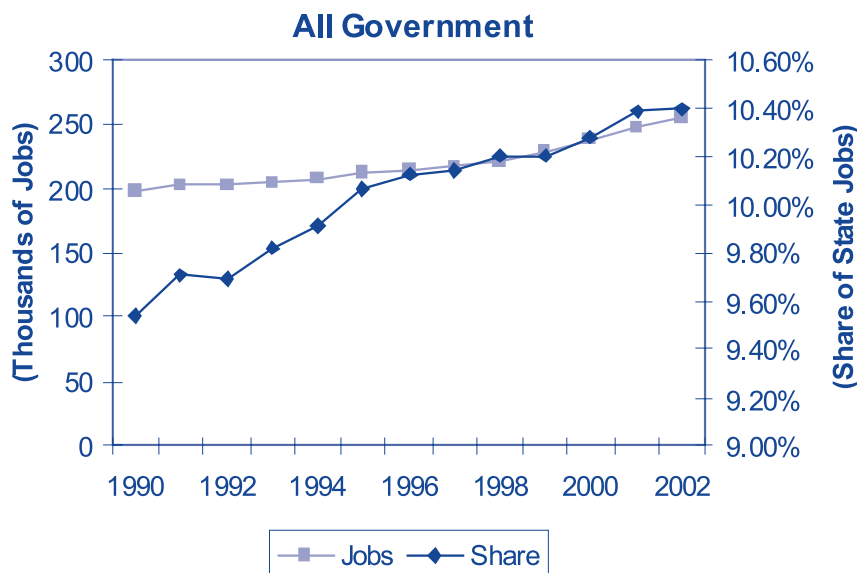
The share of statewide jobs in these ten industries increased dramatically over the 1990-2002 period increasing from approximately 7.2% to approximately 8.1% over the twelve-year period despite a downturn in share during the 1995-1999 period. Steady job growth and an increasing share of the jobs in these ten industries in the State indicate that these are the industries in the SJV economic region that are, and are likely to continue to be, a major source of new jobs in the foreseeable future.



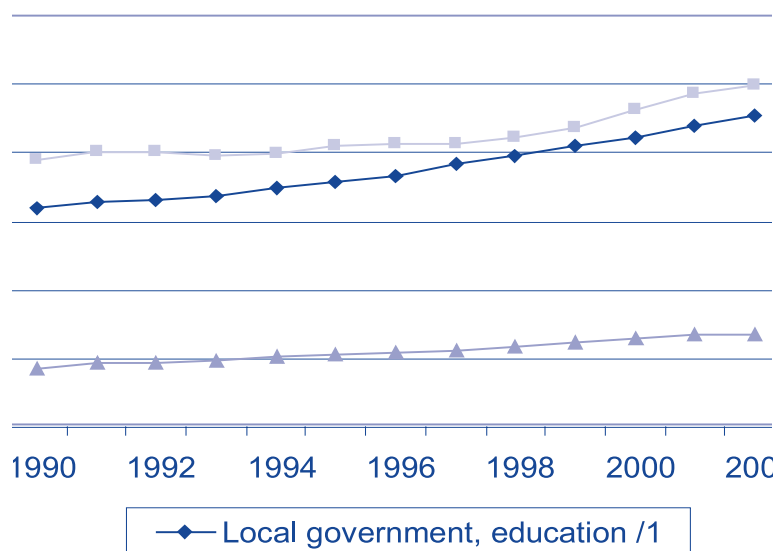
All Government

The All Government sector includes federal, state and local government (including education) in the California economic base. Local government (including education) was the leading provider of net new jobs during the 1990-2002 period increasing from 1,330,700 in 1990 to 1,722,000 in 2002 for a gain of 391,300 over the twelve year period, a gain of 29.4 percent over the twelve years or 2.5 percent annually. State government increased by over 90,000 during this period while the Federal government lost 108,000 jobs.

The following graphic shows that the number of jobs in this sector has increased steadily in the SJV economic region since 1990, from approximately 200,000 to 250,000 with a slight up-turn in the latter half of the period. The share of All Government jobs relative to All Government jobs in California has risen even more dramatically from approximately 9.6 % in 1990 to 10.4 % in 2002 indicating that All Government in the SJV is providing net new jobs to a greater extent than is the State as a whole.



As with the case statewide, overall increases in jobs during the 1990-2002 period were centered primarily in Local Government, which increased steadily in the SJV from approximately 140,000 in 1990 to approximately 190,000 in 2002. State Government (excluding education) rose from approximately 17,000 in 1990 to approximately 27,000 in 2002 while jobs in the Federal government for the SJV economic region dropped from approximately 33,000 in 1990 to approximately 30,000 in 2002. State education grew modestly from approximately 5,500 in 1990 to approximately 6,400 in 2002.



The following table provides the number of jobs in each of the All Government sub-sectors for four points in the 1990-2002 period. Only the Federal government has shown a consistent decline over the twelve-year period.

San Joaquin Valley Government (Thousands of Jobs)				
	1990	1994	2000	2002
Local government, education /1	63.9	69.8	87.8	90.9
Local government, other	77.8	79.9	97.2	99.3
State government, other	17.0	20.3	26.7	27.2
Federal government, other	21.5	21.9	21.7	22.8
State government, education /2	5.5	4.8	6.3	6.4
Federal government, defense /3	12.2	10.8	7.8	8.0

Source: EDD

/1 - Local education for Kings, Merced, and Tulare Counties is included in Local government, other

/2 - State education includes Fresno, Kern, and Stanislaus Counties. State employment in all other counties is included in State government, other.

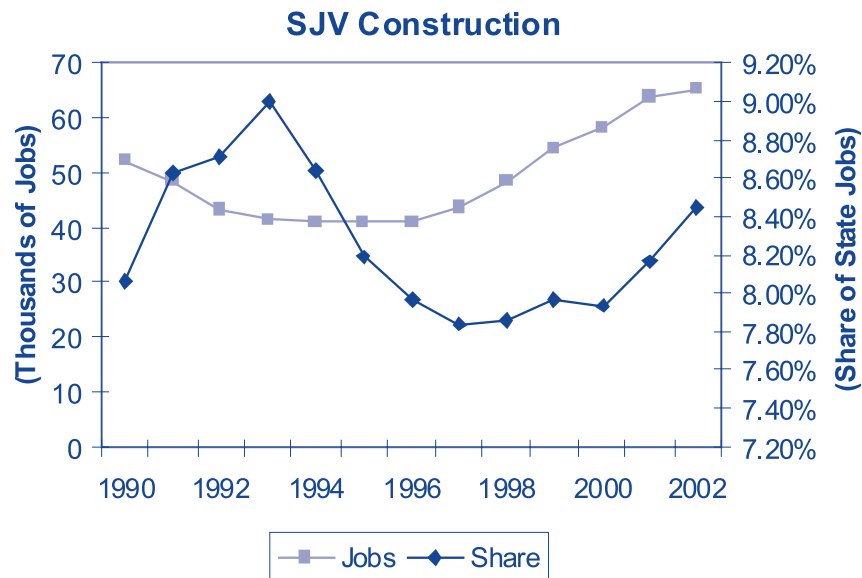
/3 - Federal defense includes Kern and San Joaquin Counties. Federal employment in all other counties is included in Federal government, other.

Construction

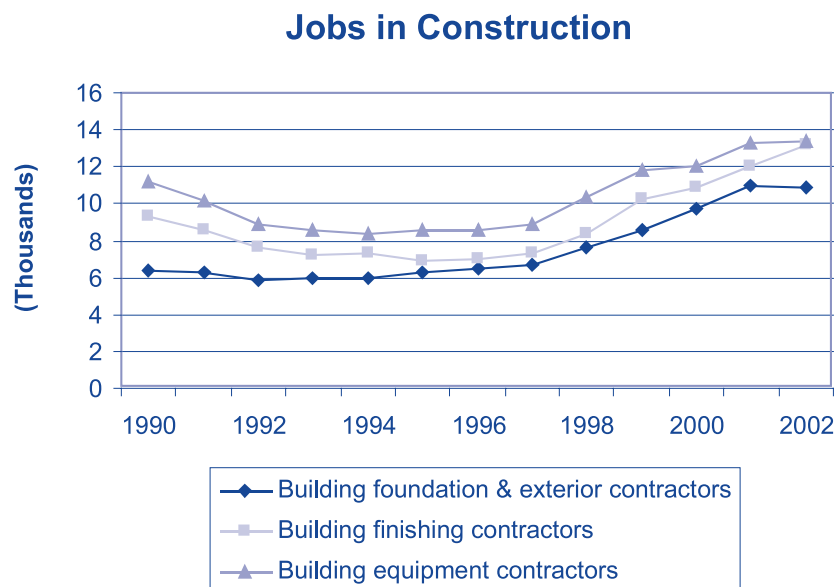
Construction is primarily a local serving industry driven by residential home building although commercial construction can play a major role during selected periods. The construction industry is more sensitive to macroeconomic factors than most industries, principally interest rates, although changes in tax and real estate laws can play a role. Another feature of this industry is that it tends to lead recoveries and declines in the State and National economy, but it is far from counter cyclical.

In California, the Construction industry grew from 644,500 in 1990 to 772,600 in 2002 for a net gain in jobs of 128,100 over the twelve-year period. This represented an increase of almost 20 percent over twelve years or 16.5 percent annually. Specialty trade contractors lead the Construction industry in California in job growth during the 1990-2002 period with 125,900 net new jobs or 98 percent of the net new jobs in the Construction industry statewide.

As can be seen from the following graphic, the growth of construction jobs in the SJV economic region fell through the first half of the 1990 - 2002 period, but began a steady increase in the latter part of 1995 which has continued throughout the period. Data on the share of construction industry jobs relative to construction jobs in the State show that the SJV share began falling well below that of the State in 1993 after a significant increase since 1990. Construction never recovered its 1993 peak of approximately 9% during the entire period although it has shown a recovery during the past few years.



The Construction Industry in the SJV economic region is composed of a large number of sub-sectors related to the building trades. Major contributors to job growth in the SJV economic region are building finishing contractors with 13,230 jobs in 2002, building equipment contractors with 13,430 jobs in 2002 and building foundation and exterior contractors with 10,910 in 2002. The following graphic shows the fairly uniform growth of these three sub-sectors during the 1990 - 2002 period.



In addition to the three major sources of job growth in the Construction Industry, seven additional sub-sectors with data on their job growth is provided in the table at the end of this section.

Industries in the Building, Developing, and General Contracting sub-sector comprises establishments primarily responsible for the entire construction (i.e., new work, additions, alterations, and repair) of building projects. Builders, developers, and general contractors, as well as land sub-dividers and land developers are included in this sub-sector.

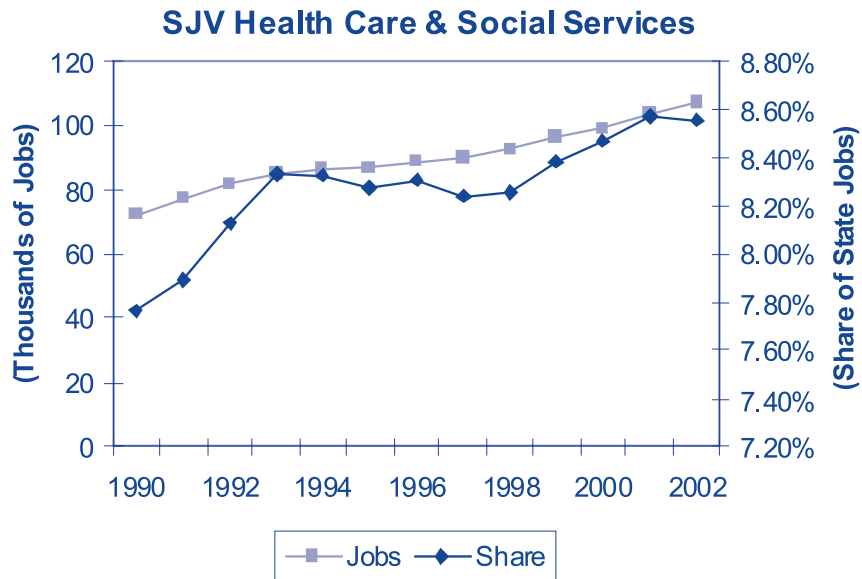
Establishments identified as construction management firms for building projects are also included. The construction work may be for others and performed by custom builders, general contractors, design builders, engineer-constructors, joint-venture contractors, and turnkey contractors, or may be on their own account for sale and performed by speculative or operative builders.

San Joaquin Valley Construction (Thousands of Jobs)				
	1990	1994	2000	2002
Building foundation & exterior contractors	6.4	6.0	9.8	10.9
Building finishing contractors	9.3	7.4	10.8	13.2
Building equipment contractors	11.2	8.4	12.1	13.4
Other specialty trade contractors	4.4	3.3	4.6	5.4
Highway, street, & bridge construction	1.7	1.8	2.4	2.6
Land subdivision	0.7	0.4	1.2	1.1
Residential building construction	8.0	6.0	7.3	8.3
Nonresidential building construction	4.6	3.5	4.4	4.9
Other heavy construction	0.9	0.5	0.8	0.8
Utility system construction	4.8	3.9	4.6	4.5

Source: California Employment Development Department

Health Care & Social Assistance

Health Care & Social Assistance is one of the fastest growing sectors in the California economy. During the 1990-2002 period jobs in this sector increased from 931,900 to 1,235,800 for a growth rate of 32.6 percent over the twelve year period or 2.7 percent a year. The sector is made up of sixteen sub-sectors driven at the State level by three leading sectors, including ambulatory health care services, social assistance and nursing and residential care facilities with a combined growth of 278,600 jobs between 1990 and 2002.



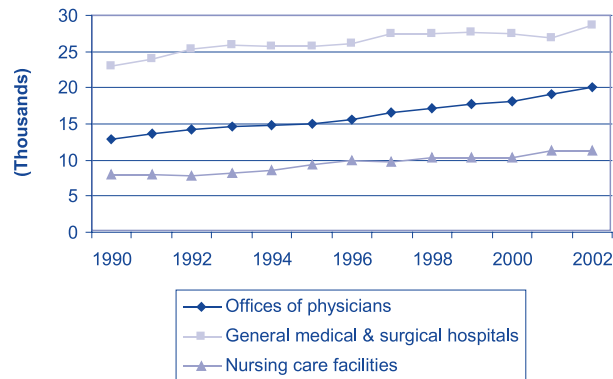
The Health Care & Social Assistance sector is also one of the major generators of net new jobs in the SJV. Many of the net new jobs in this sector were generated by offices of physicians which increased from 12,830 in 1990 to 20,090 in 2002 for a net gain in new jobs of 7,260, or 36 percent over the twelve year period. General medical and surgical hospitals ranked second adding 5,500 net new jobs and nursing care facilities was third with 3,480 net new jobs.

The offices of physicians comprises establishments of health practitioners having the degree of M.D. (Doctor of medicine) or D.O. (Doctor of osteopathy) primarily engaged in the independent practice of general or specialized medicine (e.g., anesthesiology, oncology, ophthalmology, psychiatry) or surgery. These practitioners operate private or group practices in their own offices (e.g., centers, clinics) or in the facilities of others, such as hospitals or HMO medical centers.

General medical and surgical hospitals comprise establishments known and licensed as general medical and surgical hospitals primarily engaged in providing diagnostic and medical treatment (both surgical and non-surgical) to inpatients with any of a wide variety of medical conditions. These establishments maintain inpatient beds and provide patients with food services that meet their nutritional requirements. These hospitals have an organized staff of physicians and other medical staffs to provide patient care services. These establishments usually provide other services, such as outpatient services, anatomical pathology services, diagnostic X-ray services, clinical laboratory services, operating room services for a variety of procedures, and pharmacy services.

Industries in the Nursing and Residential Care Facilities sub-sector provide residential care combined with either nursing, supervisory, or other types of care as required by the residents. In this sub-sector, the facilities are a significant part of the production process and the care provided is a mix of health and social services with the health services being largely some level of nursing services

Jobs Health Care & Social Assistance



In addition to the three leading sub-sectors, the Health Care & Social Assistance sector includes fifteen additional sub-sectors that have collectively made a contribution to the overall net new job growth in this industry. For example, the offices of dentists added over 3,000 net new jobs with similar amounts being added by community care facilities for the elderly (2,500) and residential mental health facilities (2,700). A number of other sub-sectors participated in the job growth of the Health Care & Social Assistance sector as can be seen from the following table.

San Joaquin Valley Health Care & Social Assistance (Thousands of Jobs)				
	1990	1994	2000	2002
Offices of physicians	12.8	14.7	18.2	20.1
General medical & surgical hospitals	23.0	25.7	27.5	28.5
Nursing care facilities	7.9	8.5	10.4	11.4
Offices of dentists	5.0	6.2	7.5	8.1
Residential mental health facilities	2.7	3.8	5.5	5.3
Community care facilities for the elderly	2.0	2.6	4.2	4.5
Child day care services	2.1	3.0	3.7	4.1
Individual & family services	4.0	5.6	4.3	5.8
Other residential care facilities	0.7	1.2	2.2	2.4
Outpatient care centers	1.2	2.1	2.3	2.7
Vocational rehabilitation services	2.7	2.3	3.2	3.7
Offices of other health practitioners	3.3	3.9	3.7	4.1
Emergency & other relief services	0.5	0.7	1.1	1.2
Home health care services	1.3	2.8	2.2	1.8
Other ambulatory health care services	1.1	1.5	1.4	1.6
Medical & diagnostic laboratories	0.9	0.8	0.9	1.2
Other hospitals	0.1	0.2	0.3	0.2
Psychiatric & substance abuse hospitals	1.0	0.5	0.5	0.5

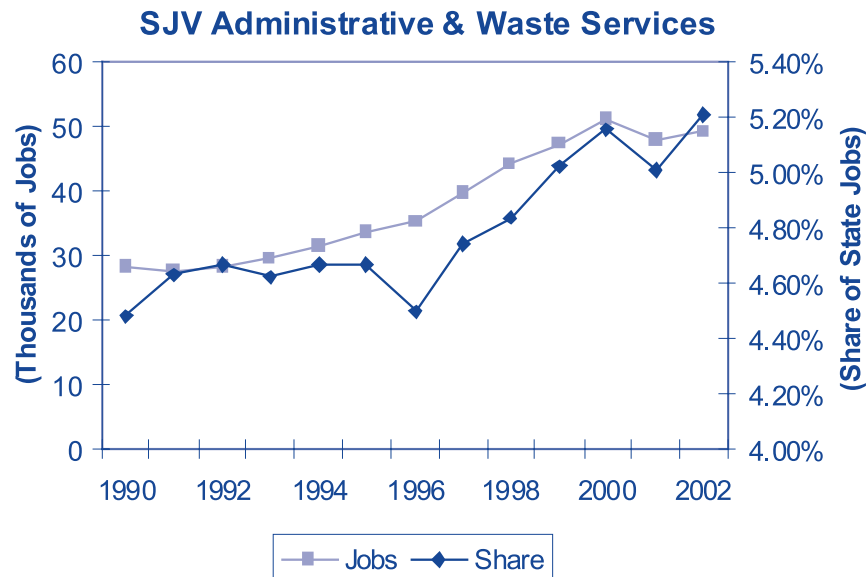
Source: California Employment Development Department

Administrative & Waste Services

Administrative & Waste Services provided the third largest increase in net new jobs in the State during the 1990-2002 period. Over these twelve years the number of jobs in this sector grew from 633,300 to 945,000 for a net gain in jobs of 311,700. This is a net increase in jobs of 32.9 percent over the twelve-year period or 2.7 percent annually.

Administrative & Waste Services is composed of eleven sub-sectors. However, the sector is dominated by administrative & support services which includes the rapidly growing employment services sub-sector. Employment services grew from 225,300 to 428,400 in California over the 1990-2002 period adding 203,100 net new jobs. This 90 percent increase in employment services led Administrative & Waste Services to provide the third largest increase in jobs in the State.

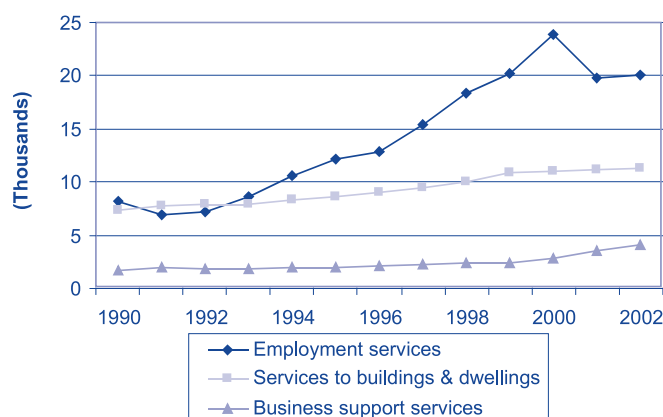
Administrative & Waste Services has also shown significant net new job growth in the SJV economic region. Jobs in this sector have increased from approximately 30,000 in 1990 to approximately 50,000 in 2000. This increase, however, was not sustained during the 2000-2002 period and currently rests at approximately 48,000. The SJV economic region's share of jobs in this sector throughout the State has grown from approximately 4.5 % in 1990 to a high of 5.2 % in 2002.



Administrative & Waste Services in the SJV economic region, like the State, is driven by growth in the employment services sub-sector with a steady increase from 1993 to 2000 and an increasing share of employment services jobs state-wide. Services to buildings and dwellings and business support services have also shown growth over this period, but at a less significant rate than employment services.

Industries in the Administrative and Support Services sub-sector group establishments engaged in activities that support the day-to-day operations of other organizations. The processes employed in this sector (e.g., general management, personnel administration, clerical activities, cleaning activities) are often integral parts of the activities of establishments found in all sectors of the economy. The establishments classified in this sub-sector have specialized in one or more of these activities and can, therefore, provide services to clients in a variety of industries and, in some cases, to households. The individual industries of this sub-sector are defined on the basis of the particular process that they are engaged in and the particular services they provide

Jobs in Administrative & Waste Services



The following table provides detailed data on the relative growth in jobs in the Administrative & Waste Services sector over the past twelve years. As can be seen in the table, employment services in the SJV economic region increased from 8,250 in 1990 to 20,010 in 2002 for a gain of 11,760 over the twelve-year period. This amounts to a gain of net new jobs in this industry of 142 percent or 11.8 percent annually. Job in services to buildings and dwellings grew from 7,350 to 11,270 during this period for a gain of 3,920 jobs or 53 percent and business support services grew from 1,750 to 4,104 for a gain of 2,354 or 134.5 percent. All other sub-sectors experienced job growth during this period with the exception of waste treatment and disposal.

San Joaquin Valley Administrative & Waste Services (Thousands of Jobs)				
	1990	1994	2000	2002
Employment services	8.2	10.5	23.8	20.0
Services to buildings and dwellings	7.4	8.3	11.0	11.3
Business support services	1.7	1.9	2.8	4.1
Investigation and security services	0.9	1.3	1.8	2.0
Travel arrangement and reservation services	4.4	4.4	5.2	5.2
Facilities support services	0.4	0.3	1.1	1.1
Office administrative services	1.5	1.2	1.7	1.7
Other support services	1.1	0.7	1.3	1.2
Waste collection	0.7	0.7	0.8	0.8
Remediation and other waste services	0.7	0.6	0.7	0.7
Waste treatment and disposal	1.3	1.3	1.1	1.2

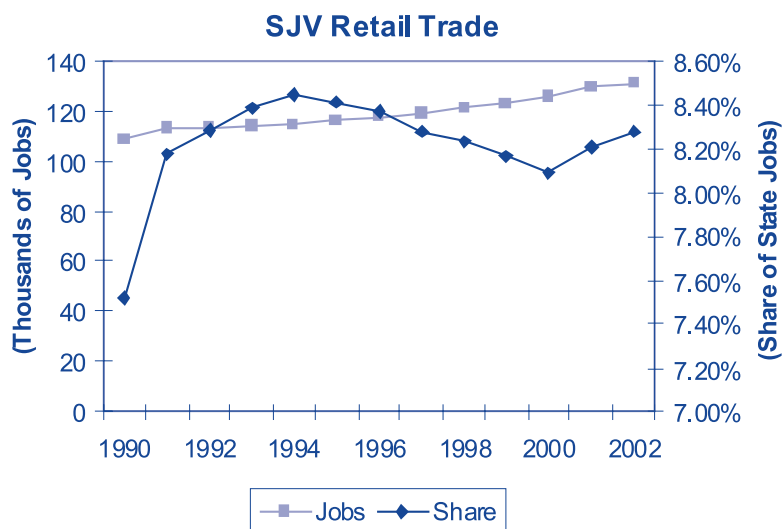
Source: California Employment Development Department

Retail Trade

Retail trade is probably the best known industrial category in current use as either an SIC or NAICS code. It includes the most familiar sub-categories including, but not limited to automobile dealers, grocery stores, clothing stores, and building material and electronics stores. A major sub-sector, eating and drinking places and restaurants has been removed under the NAICS system from the retail trade sector and is now found in the Accommodations and Food Services sector.

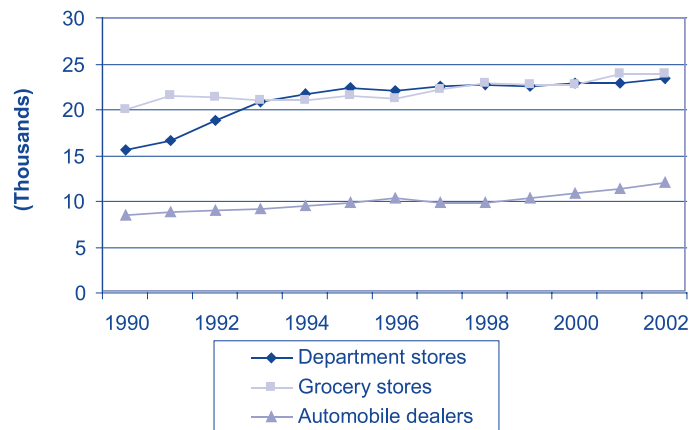
Retail trade in California increased in net new jobs from 1,444,000 in 1990 to 1,583,200 in 2002 for a net gain of 139,200 jobs over the twelve- year period. This gain represented a 9.6 percent gain over twelve years of less than one percent annually. Retail trade is very sensitive to changes in income levels and unemployment. Therefore, the very low gain in retail trade jobs can be somewhat explained by the recessions at the beginning and end of the 1990-2002 period. Sub-sectors of retail trade in California showing modest gains statewide include, motor vehicle and parts dealers (36,400), food and beverage stores (30,100), building material and garden supply stores (20,600) and misc. retail stores (15,300).

Retail trade in the SJV economic region gained jobs steadily during the 1990-2002 period, moving from approximately 110,000 in 1990 to approximately 130,000 in 2002. However, the SJV share of state-wide jobs in this sector behaved erratically from a low of 7.5 percent in 1990 to a high of 8.5 percent in 1994 then dropping to a low of 8.1 percent in 2001 only to rise again to 8.3 in 2002. This indicates the difference in economic conditions and trends for the retail trade sector and the State as a whole for most of the period; i.e. jobs were growing much faster at the statewide level than they were in the SJV economic region.



Three sub-sectors; department stores, grocery stores and automobile dealers drove job growth in the SJV economic region during the 1990-2002 period. Department stores provided the greatest expansion in jobs increasing from 15,700 in 1990 to 23,400 in 2002 for a net increase of 7,700 jobs or 49 percent over the twelve-year period. Grocery stores increased from 19,900 to 24,000 for an increase of 4,100 or 21 percent over the same period. Automobile dealers had an increase in employment of 3,500 growing from 8,500 jobs in 1990 to 12,000 in 2002, an increase of 41 percent.

Jobs in Retail Trade



The department store sector comprises establishments known as department stores primarily engaged in retailing a wide range of new products with no one merchandise line predominating. Products include apparel, furniture, appliances and home furnishings; and selected additional items, such as paint, hardware, toiletries, cosmetics, photographic equipment, jewelry, toys, and sporting goods. Merchandise lines are normally arranged in separate departments.

The Grocery stores industry group comprises establishments primarily engaged in retailing a general line of food products. The automobile dealers group comprises establishments primarily engaged in retailing new automobiles and light trucks, such as sport utility vehicles, and passenger and cargo vans, or retailing these new vehicles in combination with activities, such as repair services, retailing used cars, and selling replacement parts and accessories.

In addition to the three primary sub-sectors of the retail trade industry in the SJV economic region are a number of other sub-sectors that together make a significant contribution to job growth as can be seen by the following table. For example, building materials and supplies dealers added more than 2,000 jobs and health care and personal care stores added 1,800 while gasoline stations and electronics and appliance stores added approximately 1,000 jobs each.

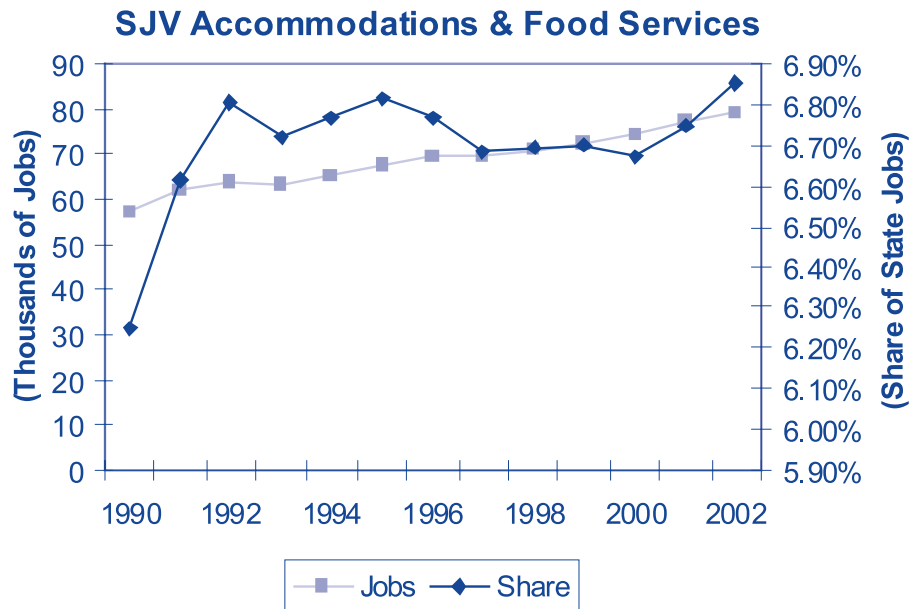
San Joaquin Valley Retail Trade (Thousands of Jobs)				
	1990	1994	2000	2002
Department stores	15.7	21.7	22.9	23.4
Grocery stores	19.9	21.1	22.8	24.0
Automobile dealers	8.5	9.6	10.9	12.0
Building material & supplies dealers	7.3	7.5	8.4	9.4
Health & personal care stores	6.9	7.6	8.5	8.7
Gasoline stations	6.8	7.3	8.2	7.8
Electronics & appliance stores	2.5	2.9	3.5	3.5
Auto parts, accessories, & tire stores	5.5	5.4	6.4	6.3
Clothing stores	5.1	4.8	5.0	5.8
Used merchandise stores	0.4	0.7	1.1	1.0
Office supplies, stationery, & gift stores	2.4	2.2	3.2	3.0
Other motor vehicle dealers	1.1	1.1	1.5	1.7
Sporting goods & musical instrument stores	3.1	3.5	3.6	3.6
Other miscellaneous store retailers	1.7	1.9	2.0	2.1
Home furnishings stores	1.3	1.5	1.7	1.7
Jewelry, luggage, & leather goods stores	1.0	1.2	1.3	1.4
Specialty food stores	2.8	2.4	2.7	3.1
Furniture stores	1.9	1.8	2.1	2.0
Book, periodical, & music stores	1.3	1.2	1.3	1.2
Vending machine operators	0.4	0.3	0.2	0.3
Electronic shopping & mail-order houses	0.3	0.1	0.1	0.1
Florists	1.2	1.0	0.9	0.9
Beer, wine, & liquor stores	1.5	1.3	1.2	1.2
Shoe stores	1.5	1.2	1.0	1.1
Lawn & garden equipment & supplies stores	2.4	2.2	1.9	1.9
Direct selling establishments	1.9	1.1	1.1	0.9
Other general merchandise stores	4.2	2.6	2.7	2.8

Source: California Employment Development Department

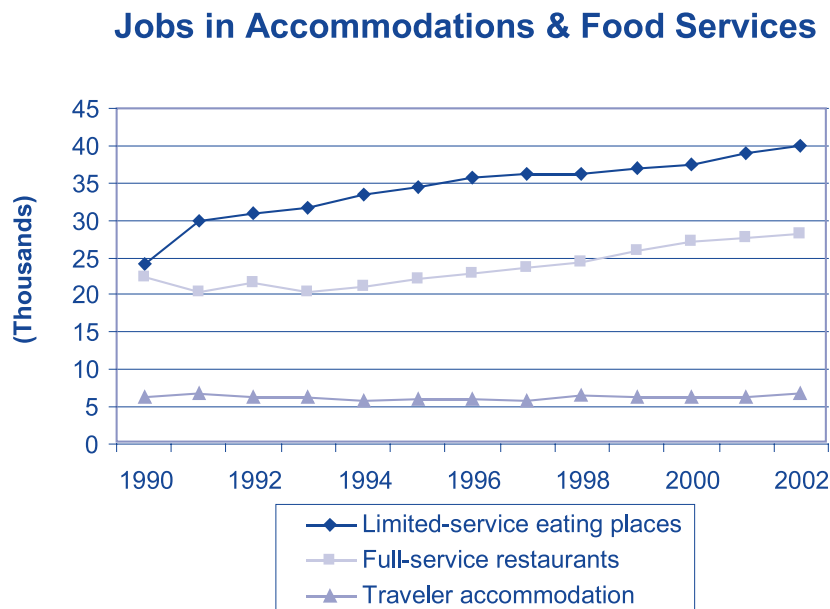
Accommodations & Food Services

This is a new sector established in the NAICS coding system to isolate data on the tourism industry in recognition of its growing importance. Accommodation & Food Services grew in California from 57,300 jobs in 1990 to 78,900 jobs in 2002 for 21,600 over the twelve-year period. Job growth in this sector was led by food services and drinking places which was responsible for almost all of the job growth (21,000).

The Accommodations & Food Services sector in the SJV economic region showed steady growth over the 1990-2002 period and maintained a favorable or equal share of the sector's jobs in California over most of the period.



The Accommodations and Food Services industry in the SJV economic region was led throughout the 1990-2002 period by three sub-sectors, limited serving eating places, full services restaurants and traveler accommodations with job increases of 15,780, 5,820 and 380 respectively. In addition to these job gains two other sub-sectors contributed modestly to the job gains. They were rooming and boarding houses and RV parks and recreational camps as can be seen by the table at the end of this section.



The limited-service eating places group comprises establishments primarily engaged in providing food services where patrons generally order or select items and pay before eating. Most establishments do not have waiter/waitress service, but some provide limited service, such as cooking to order (i.e., per special request), bringing food to seated customers, or providing off-site delivery.

The full-service restaurants group comprises establishments primarily engaged in providing food services to patrons who order and are served while seated (i.e., waiter/waitress service) and pay after eating. Establishments that provide these types of food services to patrons with any combination of other services, such as carryout services are classified in this industry.

Industries in the Accommodation sub-sector provide lodging or short-term accommodations for travelers, vacationers, and others. There is a wide range of establishments in these industries. Some provide lodging only; while others provide meals, laundry, and recreational facilities, as well as lodging. Lodging establishments are classified in this sub-sector even if the provision of complementary services generates more revenue. The type of complementary services provided vary from establishment to establishment.

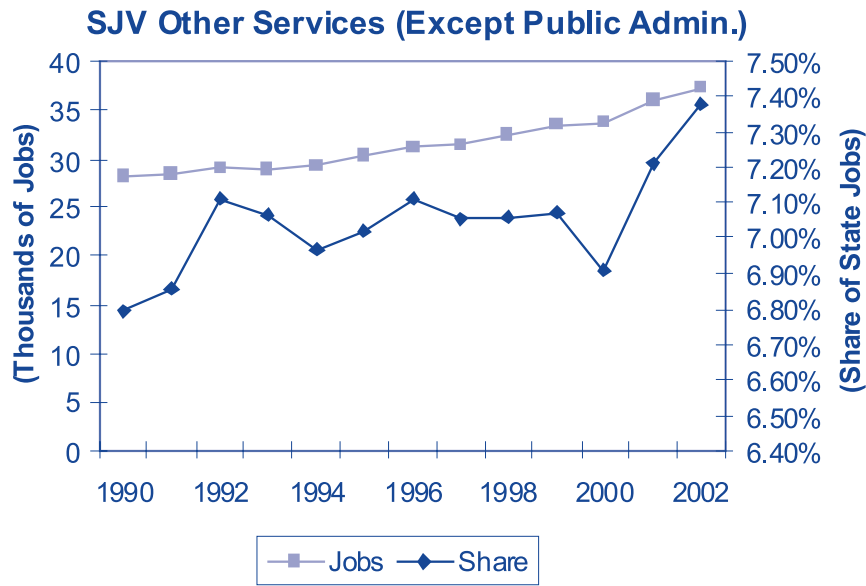
San Joaquin Valley Accommodations & Food Services (Thousands of Jobs)				
	1990	1994	2000	2002
Limited-service eating places	24.1	33.4	37.5	39.9
Full-service restaurants	22.4	21.1	27.2	28.2
Traveler accommodation	6.3	5.9	6.4	6.7
Rooming and boarding houses	0.0	0.1	0.2	0.2
RV parks and recreational camps	0.3	0.4	0.4	0.4
Drinking places, alcoholic beverages	1.8	1.9	1.7	1.7
Special food services	2.3	2.3	1.2	1.8

Source: California Employment Development Department

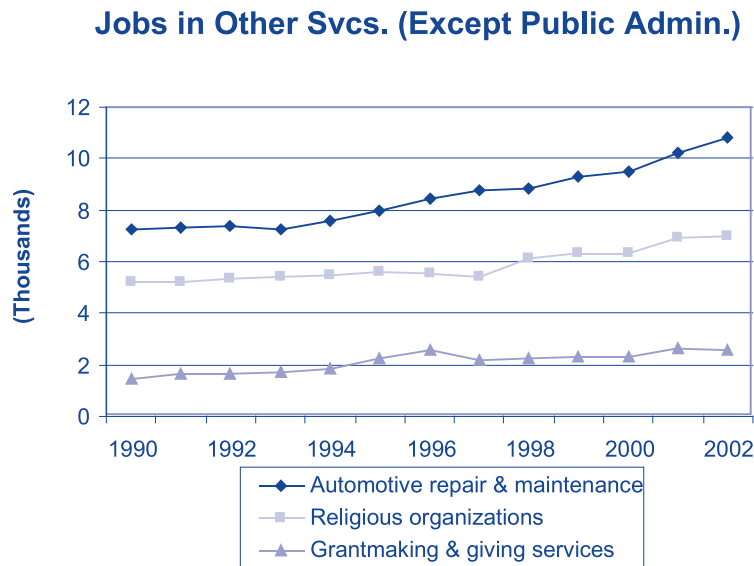
Other Services (Except Public Administration)

Other Services is another new sector created by the NAICS coding system. This sector includes a variety of organizations formerly included in the services sector in the SIC coding system. At the State level this sector grew from 415,600 jobs in 1990 to 505,700 jobs in 2002 for an increase of 90,100 jobs. This represented an increase of 21.6 % over the twelve year period or approximately 1.8 % a year.

The Other Services jobs in the SJV economic region showed steady growth from 1990 to 2002, increasing from approximately 28,000 in 1990 to 37,000 in 2002. However, the SJV's share of all Other Services jobs in the state, while growing, was less than the average through most of the period fluctuating between 6.8% and approximately 7.4%.



Automotive repair and maintenance, religious organizations and grant making and giving services with increases of 3,500, 1,790 and 1,080 respectively over the 1990-2002 period led job growth in the SJV economic region. However, all sub-sectors in the Other Services sector showed job growth during the twelve-year period with the exception of electronic equipment repair and maintenance and household goods repair and maintenance as can be seen by the table at the end of this section.



Industries in the Repair and Maintenance sub-sector restore machinery, equipment, and other products to working order. These establishments also typically provide general or routine maintenance (i.e., servicing) on such products to ensure they work efficiently and to prevent breakdown and unnecessary repairs. The NAICS structure for this sub-sector brings together most types of repair and maintenance establishments and categorizes them based on production processes (i.e., on the type of repair and maintenance activity performed, and the necessary skills, expertise, and processes that are found in different repair and maintenance establishments). This NAICS classification does not delineate between repair services provided to businesses versus those that serve households. Although some industries primarily serve either businesses or households, separation by class of customer is limited by the fact that many establishments serve both. Establishments repairing computers and consumer electronics products are two examples of such overlap.

Industries in the Religious, Grant making, Civic, Professional, and Similar Organizations sub-sector group establishments that organize and promote religious activities; support various causes through grant making; advocate various social and political causes; and promote and defend the interests of their members. The industry groups within the sub-sector are defined in terms of their activities, such as establishments that provide funding for specific causes or for a variety of charitable causes; establishments that advocate and actively promote causes and beliefs for the public good; and establishments that have an active membership structure to promote causes and represent the interests of their members. Establishments in this sub-sector may publish newsletters, books, and periodicals, for distribution to their membership.

San Joaquin Valley Other Services (Except Public Administration) (Thousands of Jobs)				
	1990	1994	2000	2002
Automotive repair & maintenance	7.2	7.6	9.5	10.8
Religious organizations	5.2	5.5	6.3	7.0
Social advocacy organizations	1.5	1.8	2.3	2.5
Grantmaking and giving services	1.0	0.8	1.7	2.0
Personal care services	2.3	2.2	2.6	2.9
Commercial machinery repair and maintenance	1.7	2.0	1.8	2.1
Civic and social organizations	0.7	0.9	1.0	1.1
Death care services	1.8	1.6	1.8	2.0
Dry cleaning and laundry services	2.8	2.9	2.9	3.0
Professional and similar organizations	0.9	1.0	0.9	1.0
Other personal services	1.9	1.6	2.0	2.0
Electronic equipment repair and maintenance	0.7	0.9	0.7	0.6
Household goods repair and maintenance	0.6	0.4	0.3	0.3

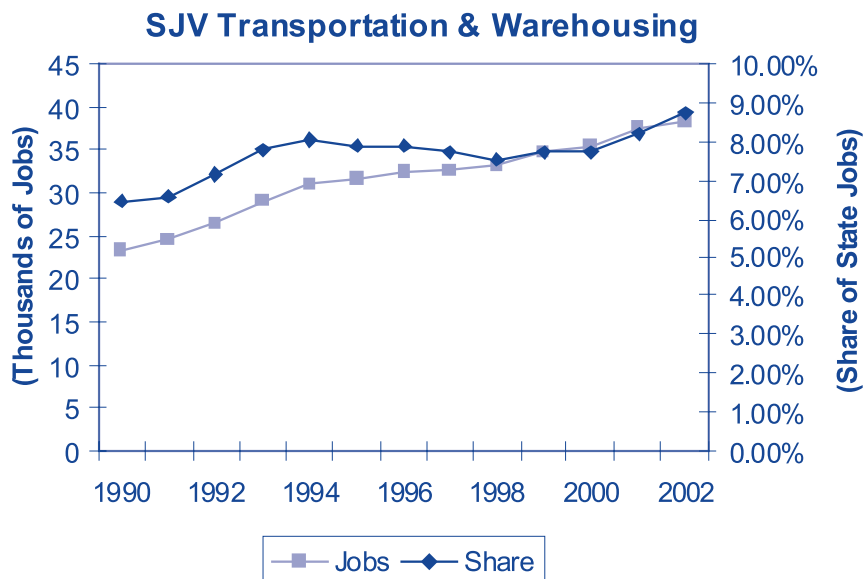
Source: California Employment Development Department

Transportation & Warehousing

Transportation and Warehousing is a major job generator in California covering a wide range of sub-sectors involved in the movement of goods and people in urban and rural economic regions.

This sector grew in California from 360,000 jobs in 1990 to 439,500 in 2002 for an increase of 79,500 jobs, an increase of 22% over the twelve year period or 1.8% a year. Leading sub-sectors at the state level were truck transportation with an increase of 22,800 jobs, warehousing and storage with an increase of 16,100 and transit and ground passenger transportation with an increase of 9,000.

This sector showed steady growth in the SJV economic region increasing from approximately 23,000 jobs in 1990 to 37,000 in 2002, an increase of approximately 14,000 job or 60.8 % over the twelve-year period. During this time the share of state -wide jobs in the SJV economic region increased from approximately 7 % to almost 9% showing greater job growth in the SJV economic region than the State as a whole for this industry sector.



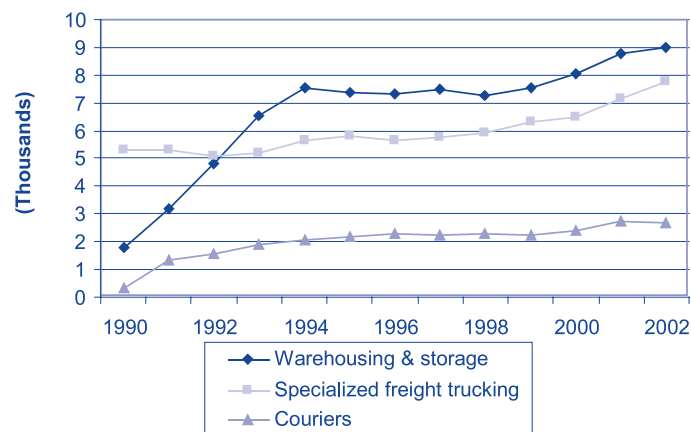
The Transportation and Warehousing sector in the SJV economic region was driven by warehousing and storage specialized freight trucking and courier services. Warehousing and storage led job increases with a gain of approximately 2,000 jobs in 1990 to approximately 9,000 jobs in 2002. This is an increase of 7,000 or 350 % over the twelve-year period, of 29% a year. Specialized freight trucking was second with jobs growing from approximately 5,200 in 1990 to approximately 7,900 in 2002 an increase of 2,700, or 52% over the twelve-year period. Courier service jobs increased from approximately 200 in 1990 to approximately 2,700 in 2002 an increase of 2,500 or 125 % over the twelve-year period.

Industries in the Warehousing and Storage sub-sector are primarily engaged in operating warehousing and storage facilities for general merchandise, refrigerated goods, and other warehouse products. These establishments provide facilities to store goods. They do not sell the goods they handle. These establishments take responsibility for storing the goods and keeping them secure. They may also provide a range of services, often referred to as logistics services, related to the distribution of goods. Logistics services can include labeling, breaking bulk, inventory control and management, light assembly, order entry and fulfillment, packaging, pick and pack, price marking and ticketing, and transportation arrangement. However, establishments in this industry group always provide warehousing or storage services in addition to any logistic services. Furthermore, the warehousing or storage of goods must be more than incidental to the performance of services, such as price marking.

The specialized freight-trucking group comprises establishments primarily engaged in providing local or long-distance specialized freight trucking. The establishments of this industry are primarily engaged in the transportation of freight, which, because of size, weight, shape, or other inherent characteristics, requires specialized equipment, such as flatbeds, tankers, or refrigerated trailers. This industry includes the transportation of used household, institutional, and commercial furniture and equipment.

Industries in the Couriers and Messengers sub-sector provide inter-city and/or local delivery of parcels. These articles can be described as those that may be handled by one person without using special equipment. This allows the collection, pick-up, and delivery operations to be done with limited labor costs and minimal equipment. Sorting and transportation activities, where necessary, are generally mechanized. The restriction to small parcels partly distinguishes these establishments from those in the transportation industries. The complete network of courier services establishments also distinguishes these transportation services from local messenger and delivery establishments in this sub-sector. This includes the establishments that perform inter-city transportation as well as establishments that, under contract to them, perform local pick-up and delivery. Messengers, which usually deliver within a metropolitan or single urban area, may use bicycle, foot, small truck, or van.

Jobs in Transportation & Warehousing



In addition to these three leading job growth sectors in the Transportation and Warehousing sector, a number of other small sub-sectors showed some job gains or held constant between 1990 and 2002 as can be seen from the table at the end of this section. These industries may stay small or they may accelerate their growth in the future based on a reasonably steady market for these services.

San Joaquin Valley
Transportation & Warehousing

(Thousands of Jobs)

	1990	1994	2000	2002
Warehousing & storage	1.8	7.5	8.1	9.0
Specialized freight trucking	5.3	5.6	6.5	7.8
Couriers	0.3	2.1	2.4	2.7
Support activities for air transportation	0.4	0.7	1.2	1.2
General freight trucking	9.0	8.9	10.8	9.8
Support activities for road transportation	0.5	0.5	0.7	1.0
Other ground passenger transportation	0.1	0.1	0.2	0.5
Charter bus industry	0.2	0.3	0.4	0.5
School & employee bus transportation	0.6	0.7	0.7	1.0
Other support activities for transportation	0.1	0.3	0.4	0.4
Local messengers & local delivery	0.1	0.2	0.3	0.4
Support activities for rail transportation	0.0	0.0	0.1	0.1
Nonscheduled air transportation	0.1	0.1	0.1	0.1
Urban transit systems	0.2	0.2	0.3	0.3
Interurban & rural bus transportation	0.1	0.1	0.2	0.2
Postal service	0.0	0.0	0.0	0.1
Other pipeline transportation	0.0	0.1	0.0	0.1
Scenic & sightseeing transportation, land	0.0	0.0	0.0	0.1
Pipeline transportation of natural gas	0.0	0.0	0.0	0.0
Scenic & sightseeing transportation, other	0.0	0.0	0.0	0.1
Freight transportation arrangement	0.4	0.3	0.4	0.4
Inland water transportation	0.0	0.0	0.0	0.0
Sea, coastal, & Great Lakes transportation	0.0	0.0	0.0	0.0
Scenic & sightseeing transportation, water	0.0	0.0	0.0	0.0
Pipeline transportation of crude oil	0.1	0.2	0.1	0.1
Rail transportation	1.8	1.8	1.6	1.8
Support activities for water transportation	0.2	0.2	0.1	0.1
Taxi & limousine service	0.4	0.4	0.3	0.3
Scheduled air transportation	1.6	0.6	0.5	0.6

Source: California Employment Development Department

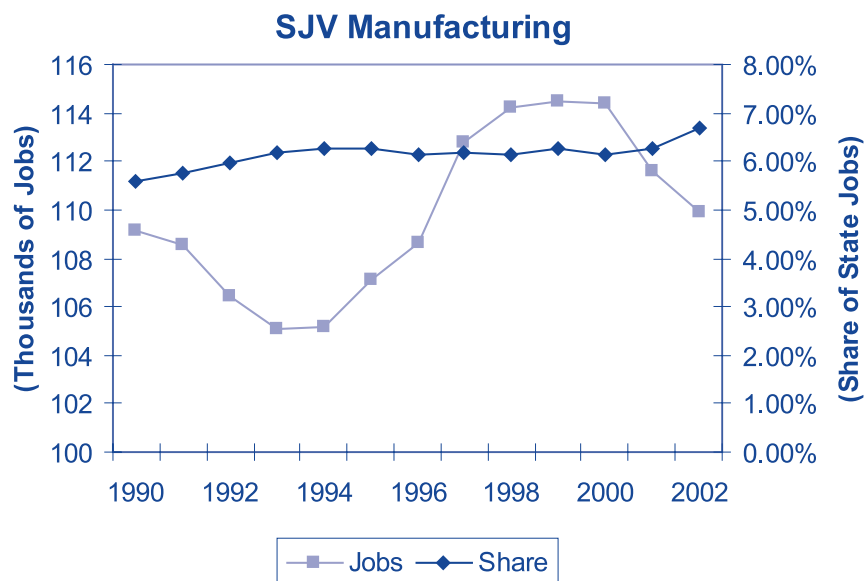
Manufacturing

Jobs in the manufacturing sector have been declining for the past twenty years both nationally and in California. Many of the sub-sectors in the Manufacturing sector have been unable to compete with the production of comparable goods in low wage countries that also have less regulation to contend with. However, a decrease in the number of jobs in an industry may denote an attempt to become more competitive and should not be seen as a clear indicator of decline. Moreover, while the net number of jobs in Manufacturing has been declining for some time, many of the sub-sectors of Manufacturing have been growing. It is important to make this distinction at both the State and regional level.

Manufacturing jobs in California decreased from 1,959,800 in 1990 to 1,641,200 in 2002. This represents a net loss of 318,600 Manufacturing jobs over the twelve-year period. Over 80 % of the job losses (261,100) in Manufacturing during this period were centered in the four sub-sectors of transportation equipment manufacturing (-137,400), computer and electronic product manufacturing (-85,800), apparel manufacturing, (-19,700) and food manufacturing (-18,200) with the balance of the job losses (57,500) spread through a variety of manufacturing industries.

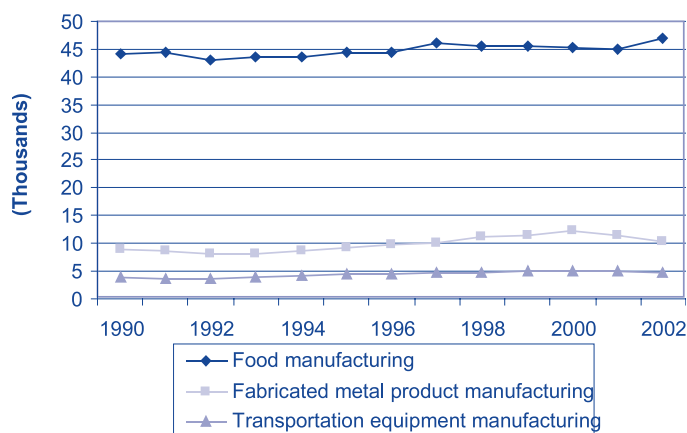
At the same time, the following manufacturing sub-sectors were growing. For example, chemical manufacturing added 11,900 jobs during the same period as the above Manufacturing sector losses. Job gains are also to be found between 1990 and 2002 in misc. manufacturing (9,800), beverage and tobacco product manufacturing (6,900), and textile mills (3,800). Therefore, it is somewhat misleading to say that the Manufacturing sector in California lost jobs during this period although it did suffer a net loss.

The erratic nature of the labor market in the Manufacturing sector is also evidenced in the SJV economic region. As shown in the following graphic, manufacturing jobs moved from approximately 107,000 in 1990 down to 105,000 in the 1993-1994 period. Then moved up to a peak of approximately 114,000 in 2001 only to drop again to approximately 110,000 in 2002. At the same time the SJV economic region's share of all manufacturing jobs in California was fairly stable at between 5.5% and 6.7%.



Manufacturing jobs in the SJV economic region are led by food processing followed by fabricated metal product manufacturing and transportation equipment manufacturing. Food processing grew from 44,200 jobs in 1990 to 46,900 jobs in 2002 adding 2,700 jobs an increase of 6% over the twelve-year period. Fabricated metal product manufacturing grew from 8,900 in 1990 to 10,200 in 2002 for an increase of 1,300 and transportation equipment manufacturing increased from 3,900 to 4,700 for an increase of 800 jobs during the same period. Modest increases were found in a variety of other manufacturing sub-sectors offset by losses in a variety of others.

Jobs in Manufacturing



Industries in the Food Manufacturing sub-sector transform livestock and agricultural products into products for intermediate or final consumption. The industry groups are distinguished by the raw materials (generally of animal or vegetable origin) processed into food products. The food products manufactured in these establishments are typically sold to wholesalers or retailers for distribution to consumers, but establishments primarily engaged in retailing bakery and candy products made on the premises not for immediate consumption are included. Establishments primarily engaged in manufacturing beverages are classified in Sub-sector 312, Beverage and Tobacco Product Manufacturing.

Industries in the Fabricated Metal Product Manufacturing sub-sector transform metal into intermediate or end products, other than machinery, computers and electronics, and metal furniture or treating metals and metal formed products fabricated elsewhere. Important fabricated metal processes are forging, stamping, bending, forming, and machining, used to shape individual pieces of metal; and other processes, such as welding and assembling, used to join separate parts together. Establishments in this sub-sector may use one of these processes or a combination of these processes.

Industries in the Transportation Equipment Manufacturing subsector produce equipment for transporting people and goods. Transportation equipment is a type of machinery. An entire sub-sector is devoted to this activity because of the significance of its economic size in all three North American countries. Establishments in this sub-sector utilize production processes similar to those of other machinery manufacturing establishments - bending, forming, welding, machining, and assembling metal or plastic parts into components and finished products. However, the assembly of components and subassemblies and their further assembly into finished vehicles tends to be a more common production process in this sub-sector than in the Machinery Manufacturing sub-sector.

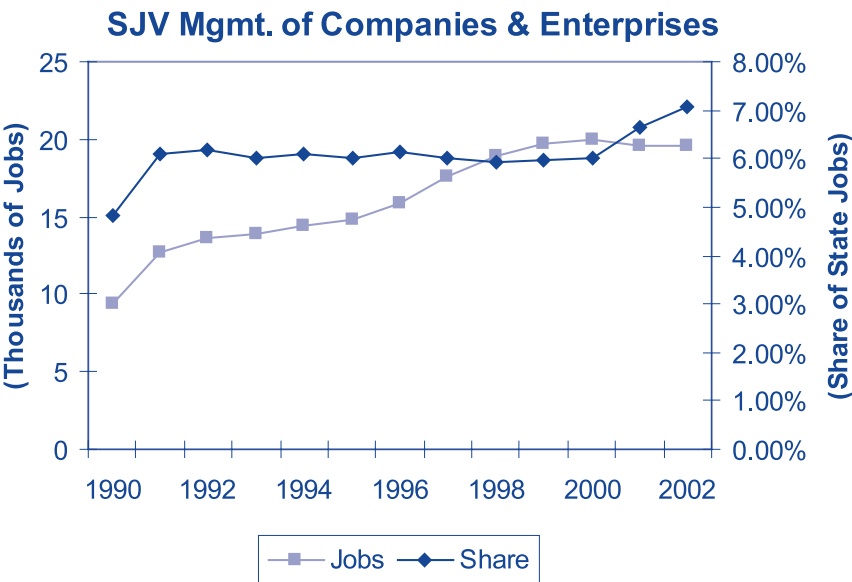
San Joaquin Valley Manufacturing (Thousands of Jobs)				
	1990	1994	2000	2002
Food manufacturing	44.2	43.6	45.2	46.9
Fabricated metal product manufacturing	8.9	8.8	12.2	10.2
Transportation equipment manufacturing	3.9	4.1	5.1	4.7
Chemical manufacturing	1.5	2.3	2.0	2.3
Miscellaneous manufacturing	2.5	2.8	3.4	2.9
Petroleum & coal products manufacturing	0.5	0.7	0.7	0.7
Leather & allied product manufacturing	0.1	0.1	0.2	0.2
Plastics & rubber products manufacturing	4.2	3.6	5.1	4.3
Paper manufacturing	3.9	3.9	4.2	4.0
Furniture & related product manufacturing	3.2	2.8	3.2	3.3
Textile product mills	0.6	0.8	0.7	0.6
Primary metal manufacturing	1.6	1.3	1.6	1.5
Electrical equipment & appliance mfg.	0.9	0.5	0.7	0.6
Computer & electronic product manufacturing	3.4	3.1	3.2	2.9
Wood product manufacturing	5.5	5.0	5.3	4.9
Nonmetallic mineral product manufacturing	6.4	5.7	6.0	5.9
Textile mills	0.7	0.8	0.3	0.1
Apparel manufacturing	1.1	0.7	0.5	0.4
Printing & related support activities	4.8	5.0	4.6	4.1
Machinery manufacturing	6.8	6.0	7.0	6.0
Beverage & tobacco product manufacturing	4.6	3.4	3.0	3.3

Management of Companies and Enterprises

This is a new NAICS sector reflecting primarily the growth in holding companies. The industry grew in California from 195,700 in 1990 to 276,300 in 2002 for an increase of 80,600 or 41% over the twelve-year period.

Industries in the Management of Companies and Enterprises sub-sector include three main types of establishments: (1) those that hold the securities of (or other equity interests in) companies and enterprises; (2) those (except government establishments) that administer, oversee, and manage other establishments of the company or enterprise but do not hold the securities of these establishments; and (3) those that both administer, oversee, and manage other establishments of the company or enterprise and hold the securities of (or other equity interests in) these establishments. Those establishments that administer, oversee, and manage normally undertake the strategic or organizational planning and decision making role of the company or enterprise.

In the SJV economic region Management of Companies and Enterprises grew from approximately 9,000 jobs in 1990 to approximately 18,000 in 2002. The share of California jobs in this sector remained level at approximately 6% over most of the 1990-2002 period, but showed a sharp increase to approximately 7% in 2002.



APPENDIX A

Industries Included in Regional Economic Base

All Government

Local government, education /1
Local government, other
State government, other
Federal government, other
State government, education /2
Federal government, defense /3

Construction

Building foundation & exterior contractors
Building finishing contractors
Building equipment contractors
Other specialty trade contractors
Highway, street, & bridge construction
Land subdivision
Residential building construction
Nonresidential building construction
Other heavy construction
Utility system construction

Health Care & Social Assistance

Offices of physicians
General medical & surgical hospitals
Nursing care facilities
Offices of dentists
Residential mental health facilities
Community care facilities for the elderly
Child day care services
Individual & family services
Other residential care facilities
Outpatient care centers
Vocational rehabilitation services
Offices of other health practitioners
Emergency & other relief services
Home health care services
Other ambulatory health care services
Medical & diagnostic laboratories
Other hospitals
Psychiatric & substance abuse hospitals

Administrative & Waste Services

Employment services
Services to buildings & dwellings
Business support services
Travel arrangement & reservation services
Investigation & security services
Facilities support services
Office administrative services
Other support services
Waste collection
Remediation & other waste services
Waste treatment & disposal

Retail Trade

Department stores
Grocery stores
Automobile dealers
Building material & supplies dealers
Health & personal care stores
Gasoline stations
Electronics & appliance stores
Auto parts, accessories, & tire stores
Clothing stores
Used merchandise stores
Office supplies, stationery, & gift stores
Other motor vehicle dealers
Sporting goods & musical instrument stores
Other miscellaneous store retailers
Home furnishings stores
Jewelry, luggage, & leather goods stores
Specialty food stores
Furniture stores
Book, periodical, & music stores
Vending machine operators
Electronic shopping & mail-order houses
Florists
Beer, wine, & liquor stores
Shoe stores
Lawn & garden equipment & supplies stores
Direct selling establishments
Other general merchandise stores

Accommodations & Food Services

- Limited-service eating places
- Full-service restaurants
- Traveler accommodation
- Rooming & boarding houses
- RV parks & recreational camps
- Drinking places, alcoholic beverages
- Special food services

Other Services

- Automotive repair & maintenance
- Religious organizations
- Grant making & giving services
- Social advocacy organizations
- Personal care services
- Professional & similar organizations
- Death care services
- Civic & social organizations
- Dry cleaning & laundry services
- Other personal services
- Commercial machinery repair & maintenance
- Household goods repair & maintenance
- Electronic equipment repair & maintenance

Transportation & Warehousing

- Warehousing & storage
- Specialized freight trucking
- Couriers
- Support activities for air transportation
- General freight trucking
- Support activities for road transportation
- Other ground passenger transportation
- Charter bus industry
- School & employee bus transportation
- Other support activities for transportation
- Local messengers & local delivery
- Support activities for rail transportation
- Nonscheduled air transportation
- Urban transit systems
- Interurban & rural bus transportation
- Postal service
- Other pipeline transportation
- Scenic & sightseeing transportation, land

- Pipeline transportation of natural gas
- Scenic & sightseeing transportation, other
- Freight transportation arrangement
- Inland water transportation
- Sea, coastal, & Great Lakes transportation
- Scenic & sightseeing transportation, water
- Pipeline transportation of crude oil
- Rail transportation
- Support activities for water transportation
- Taxi & limousine service
- Scheduled air transportation

Management of Companies and Enterprises

- Management of Companies and Enterprises

Manufacturing

- Animal food manufacturing
- Grain & oilseed milling
- Sugar & confectionery product manufacturing
- Fruit & vegetable preserving & specialty
- Dairy product manufacturing
- Animal slaughtering & processing
- Seafood product preparation & packaging
- Bakeries & tortilla manufacturing
- Other food manufacturing
- Beverage manufacturing
- Fiber, yarn, & thread mills
- Fabric mills
- Textile & fabric finishing mills
- Textile furnishings mills
- Other textile product mills
- Apparel knitting mills
- Cut & sew apparel manufacturing
- Accessories & other apparel manufacturing
- Leather & hide tanning & finishing
- Footwear manufacturing
- Other leather product manufacturing
- Sawmills & wood preservation
- Plywood & engineered wood product mfg.
- Other wood product manufacturing
- Pulp, paper, & paperboard mills
- Converted paper product manufacturing
- Printing & related support activities
- Petroleum & coal products manufacturing
- Basic chemical manufacturing
- Resin, rubber, & artificial fiber mfg.

Agricultural chemical manufacturing
 Pharmaceutical & medicine manufacturing
 Paint, coating, & adhesive manufacturing
 Soap, cleaning compound, & toiletry mfg.
 Other chemical product & preparation mfg.
 Plastics product manufacturing
 Rubber product manufacturing
 Clay product & refractory manufacturing
 Glass & glass product manufacturing
 Cement & concrete product manufacturing
 Lime & gypsum product manufacturing
 Other nonmetallic mineral products
 Iron & steel mills & ferroalloy mfg.
 Steel product mfg. from purchased steel
 Alumina & aluminum production
 Other nonferrous metal production
 Foundries
 Forging & stamping
 Cutlery & hand tool manufacturing
 Architectural & structural metals mfg.
 Boiler, tank, & shipping container mfg.
 Hardware manufacturing
 Spring & wire product manufacturing
 Machine shops & threaded product mfg.
 Coating, engraving, & heat treating metals
 Other fabricated metal product manufacturing
 Ag., construction, & mining machinery mfg.
 Industrial machinery manufacturing
 Commercial & service industry machinery
 HVAC & commercial refrigeration equipment
 Metalworking machinery manufacturing
 Turbine & power transmission equipment mfg.
 Other general purpose machinery manufacturing
 Computer & peripheral equipment mfg.
 Communications equipment manufacturing
 Audio & video equipment manufacturing
 Semiconductor & electronic component mfg.
 Electronic instrument manufacturing
 Magnetic media manufacturing & reproducing
 Electric lighting equipment manufacturing
 Household appliance manufacturing
 Electrical equipment manufacturing
 Other electrical equipment &

component mfg.
 Motor vehicle manufacturing
 Motor vehicle body & trailer manufacturing
 Motor vehicle parts manufacturing
 Aerospace product & parts manufacturing
 Railroad rolling stock manufacturing
 Ship & boat building
 Other transportation equipment manufacturing
 Household & institutional furniture mfg.
 Office furniture & fixtures manufacturing
 Other furniture related product manufacturing
 Medical equipment & supplies manufacturing
 Other miscellaneous manufacturing

/1 - Local education for Kings, Merced, and Tulare Counties is included in Local government, other

/2 - State education includes Fresno, Kern, and Stanislaus Counties. State employment in all other counties is included in State government, other.

/3 - Federal defense includes Kern and San Joaquin Counties. Federal employment in all other counties is included in Federal government, other.

